Volume XVII.] *March, 1902.* [*Number 1.*

PEORIA PUBLIC LIBRARY.
WRITING OR MARKING IN THIS BOOK, EVEN FOR THE CORRECTION OF TYPOGRAPHICAL ERRORS IS STRICTLY FORBIDDEN. ANY DEFACEMENT OR MUTILATION WILL BE CHARGED TO THE LAST BORROWER PRECEDING THE DISCOVERY.

POLITICAL SCIENCE

QUARTERLY.

THE CHARTER OF THE CITY OF NEW YORK.

THE charter of the city of New York is of interest not merely to the citizens of the city and of the state of New York, but also to the people of the United States as a whole. New York has in the past led the way in municipal development in the United States. It was the first city of any importance to receive a charter of incorporation in the colonial period of our country. As early as 1830 the choice of mayor, who had hitherto been appointed by the governor or the common council, was vested in the voters of the city; though in this case New York was not the first in the field, as the principle of popular election had already been adopted in several other cities, *e.g.*, Boston, St. Louis and Detroit. The New York charter of 1830 also first applied to city government certain principles of political science which were supposed to be susceptible of general application in governmental organization. It separated the council into two branches, thus introducing the bicameral principle in municipal government, and it provided for executive departments distinct from the council. In 1849 New York again applied a principle which has since that time been almost universally applied in the municipal governments of the United States. This was the detailed organization of the executive departments in the charter itself. In 1857 the legislature of the state of New York adopted, for the first time in the later history of municipal development in the United States, the principle of the appointment of important

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

municipal officers by the central authorities of the state government. The act of 1857 providing for a centrally appointed police commission was copied very generally in the larger cities throughout the United States.

Many instances of this sort might be adduced to show the great influence which the city of New York has had upon municipal development throughout the country. But enough have been mentioned, it is believed, to prove that what is done in New York cannot fail to interest the people of the country as a whole. Since this is the case, it seems to be a fitting time to speak somewhat at length with regard to the new charter which has recently been adopted for the city, and which, as exemplifying the latest ideas of the American people with regard to the government of large cities, points the way which municipal development in the other cities of the United States will probably take.

It is, of course, true that the position of New York is somewhat peculiar; for it is what may be called a metropolitan city — a kind of city of which there are but few examples in the United States. But New York has at the same time the same needs to be satisfied as the other larger cities of the United States. If we separate what may be called metropolitan problems from the ordinary municipal problems, we shall be able to distinguish those parts of the present charter which are somewhat peculiar from those parts which interest all the cities of any size in the country. We may therefore classify and study the problems of government in New York City under the two corresponding heads.

I. *Problems Incident to All City Government.*

Prior to 1895 the government of New York City was what is known as the "board system." This was the system which, about the middle of the nineteenth century, almost everywhere in this country succeeded the original form, which we may call the "council system." The characteristic of the board system as seen in New York City was this: Real authority was vested

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in a series of independent boards and officers. The members of the boards and the officers were as a usual thing appointed by the mayor, who was himself *ex officio* a member of the most important boards. The comptroller, who was elected for a four years' term by the people of the city in the same manner as the mayor was elected, was the chief exception to the rule that the mayor appointed the officers of the city. The term of these officers and of the members of these boards was as a general thing longer than that of the mayor, who had practically no power of removal. No one mayor, therefore, had the power of appointing all the officers in whom real municipal authority was vested. The functions of the mayor consisted, first, in filling vacancies and, second, in acting as an *ex-officio* member of certain boards — for example, of the board of estimate and apportionment, in which was vested the power of determining the policy of the city, so far as that was the subject of local determination; of the board of sinking-fund commissioners, in which was vested the care of the property and the sinking fund of the city; and of the board of street openings, whose name gives a sufficiently accurate idea of its function.

Under this system the city had lost practically all legislative power — that is, the power of formulating the municipal policy. This power had been assumed by the state legislature. Thus, for example, when it was desired to inaugurate a system of underground rapid transit, it was found that the powers of the city authorities were insufficient for the purpose. Application had to be made to the legislature, which enacted a very detailed law upon the subject, providing for the carrying on of the work by a commission which was not connected with the municipal authorities. The same method was pursued in the construction of the new East River Bridge.

What legislative power the municipal authorities possessed was of little use, as they had no general borrowing powers. If it was desired to enter upon an undertaking which required the issue of bonds, application had to be made to the state legislature for authorization to make the issue. For example, when the city wished to establish municipal ownership of the water

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

front, this was found to be impossible without legislative action; and when it was desired to increase the school facilities of the city by the erection of a large number of new school houses, it was necessary to appeal to the legislature in order to get the authority to issue the necessary bonds.

During the years immediately prior to 1895 the legislature, as a general thing, behaved with great moderation towards the city; for the special acts relative to the city government, of which there were many, were as a rule permissive rather than mandatory in character. But, by virtue of much precedent legislation, most of the expenses of the city were mandatory and could not be fixed in amount by any municipal authority. This was particularly true of the salaries of municipal officers.

This system of government on the whole worked fairly well. The city authorities did not, it is true, have much power over the local concerns of the city, so far as the formulation of municipal policy was concerned, but the people of the city had become quite accustomed to the system. The journey from New York to Albany was an easy and comfortable one, and, as has been said, the legislature's behavior towards the city was marked generally by wisdom and moderation. Great progress was made in almost all directions of municipal government in the period from 1873, the date of the adoption of this system, up to 1895. A new system of street cleaning, known as the block system, was inaugurated; the city entered into a comprehensive policy of municipal ownership of the water front; new pavements of a far better character than those which previously existed were laid throughout large portions of the city; and its water facilities were greatly increased by the building of the new aqueduct. Owing to the fact that no one mayor had the right to make wholesale changes in the official class, the service was permanent enough to admit of a reasonable continuity in municipal policy and a reasonably efficient administration of the law.

The year 1895 was marked by a most radical departure from the board system, as it has been outlined. In the years immediately prior to 1895 the political organization which, more

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

than any other, has had influence for weal or for woe upon the government of the city had succeeded in getting almost absolute control of the municipal organization. One Tammany mayor had succeeded another for so many years that almost every important position in the municipal service was held by a Tammany man. Complaints began to be made of corruption and inefficiency. The result of these complaints was the appointment of the Lexow Committee. Its investigation revealed conditions which shocked the moral sense of the community. Coming as it did just prior to a mayoralty election, the report of this committee resulted in the overthrow of Tammany at the polls in the fall of 1894 and the election of the late Mayor Strong. When Mayor Strong came to take office, the great defect of the board system was at once made manifest; for, whatever may have been its advantages, it had the great disadvantage that it did not insure popular control; that is to say, the people could not, through a single election, secure any great alteration in existing conditions, no matter how intolerable they were.

The result was a demand that power be given to the mayor to remove the municipal officials holding office at the commencement of his term. Accordingly, the legislature bestowed upon the mayor the power of removal during the first six months of his incumbency or — what was really the case — gave to the mayor the power to make new appointments in the city service when he assumed office. As the mayor's term was shorter than that of most of his appointees, the effect of this grant was to destroy the permanence of the various boards and offices through which the city was governed. The fundamental principle of the board system was thus abandoned, and that continuity of policy and that degree of efficiency which result from permanence were sacrificed in the interest of a greater popular control.

The old system was permitted to remain in other respects unaltered — that is, so far as it was accompanied by disadvantages, these still remained, while its main advantages were lost. The latter have been referred to; the former remain to be

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

considered. Most conspicuous among the disadvantages were the lack of any permanent popular control and the failure to concentrate responsibility. Of course the grant to the mayor of the power to make new appointments on assuming office gave the people a control which could be exercised whenever a new mayor was elected; but this was ineffective except for a very brief period. The failure to concentrate responsibility is inherent in any board system; and, as nothing was done by the legislation of 1895 to substitute single heads for boards, the system remained just as open to criticism from this direction as it had been prior to 1895.

Such, then, were the governmental conditions of New York at the time of the adoption of the Greater New York charter of 1897. To summarize briefly, the system of government was as follows: Legislative power, as already defined, was possessed by no city authority. Administrative power — that is, the power to execute the municipal policy determined upon mainly by the state legislature — was vested in boards and officers who were independent of the mayor after six months of his term had expired. But, as these boards and officers were no longer so permanent as they had been prior to 1895, each mayoralty election might mean an entire derangement of the administrative machinery of the city.

The commission which drafted the charter for Greater New York firmly believed that the power to determine the policy of the city ought not to be vested in the state legislature. The charter of 1897 shows that the commission made an earnest attempt to secure to the city authorities those legislative powers which they had not previously possessed. A new local legislative body was created, called the "municipal assembly," to which, when acting in conjunction with other city authorities, were given large legislative powers — large, that is, if we compare them with what the former board of aldermen had possessed. After the passage of the Greater New York charter it was possible for the city authorities to determine the local municipal policy. Large powers of entering upon important municipal undertakings and of incurring the necessary indebtedness

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

therefor were vested in the city authorities. It may be said, with little danger of exaggeration, that never in the history of the city of New York had its local authorities possessed as wide powers as they were endowed with by the charter of 1897.

These powers were not, however, vested entirely in the new municipal assembly. The history of municipal legislative bodies in this country had been accompanied by so much scandal, their members had seemed to be frequently actuated by such low motives, that it was considered unwise by the Greater New York Commission to give the municipal assembly free hand. But, in the endeavor to prevent that body from acting improvidently and corruptly, so many checks were thrown about its action that exercise by the municipal authorities of the powers granted by the charter was made exceedingly difficult. When this fact is borne in mind, it will at once be understood why persons who wished to have something done, both private citizens and city officials, found it easier, under the charter of 1897, to go to Albany, as they had gone in the past, than to secure action through the various authorities which by this charter had the power of decision.

Thus, the grant of local power made by the charter of 1897 did not result in making the determination of municipal policy a local matter. This was one of the problems which the Charter Revision Commission of 1900 had to solve. It believed with the former commission that local policy should be locally determined. It believed with the former commission that the local determination of local policy involved the existence of a local legislative body. But, having had the benefit of the experience under the charter of 1897, the commission on revision was convinced that the legislative procedure must be simpler than under that charter. Accordingly, the commission recommended and the legislature adopted an amendment of the charter, substituting for the bicameral municipal assembly a single chamber, to be called the "board of aldermen." As planned by the commission, this new local legislature was to consist of nearly 125 members. The body was made so large, first, in order to give an adequate representation to every

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

locality; and second, to provide a sufficiently large membership for the boards of local improvements, to which reference will be made later. The legislature modified the draft of the commission in the matter of the size of the local legislature; but the only important effect of this modification upon the general plan was that the different localities were not given equal representation upon the board of aldermen, the outlying districts, such as the borough of Richmond, having more members than they should have if population were regarded as the sole basis of apportionment. This unfairness, if we may call it so, was necessary in order that the outlying districts should have sufficient members upon the board of aldermen to provide the necessary boards of local improvements.[1]

As a second element in the plan of making the local legislature the real director of local policy, the Charter Revision Commission of 1900 centred in the board of aldermen the entire local ordinance power. Under the charter of 1897 most local ordinances were to be made by the city executive departments, such as the health, fire, dock and building departments; and, moreover, almost all ordinances passed by the municipal assembly affecting these departments had to originate in the proper department and had to be approved or rejected by the assembly without amendment. The Charter Revision Commission proposed that these limitations on the power of the local legislature should be repealed and that all powers of local legislation should be centred in the new board of aldermen. In order to insure that the wishes of any department might be heard with regard to any proposed ordinance affecting it, each head of a department was to retain the privilege, which had been granted to him by the charter of 1897, of a seat and a voice, though not a vote, in the board of aldermen.

The recommendation of the Revision Commission, vesting in the board of aldermen the entire municipal ordinance power, did not, however, approve itself to the legislature, which has

[1] These boards were to consist of the members of the board of aldermen representing aldermanic districts within the local improvement districts.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

attempted to leave the conditions exactly as they were under the charter of 1897. A perusal of Section 43 of the present charter will show that it is doubtful whether the legislature has succeeded in accomplishing what it wished. This section is a conspicuous example of the slovenly character of much state legislation. The clause in which the change of the plan proposed by the Charter Revision Commission was made is simply appended to the end of the section; and as the section now reads, it is almost nonsense. The section refers to the "Board of Public Improvements or any of the departments thereof," though the board itself and many of its departments are abolished in subsequent sections of the charter. In the case of certain departments, however, which were not by the charter of 1897 included in the Board of Public Improvements, other sections of the charter would seem to have effectuated the intentions of the legislature. The attempt of the Charter Revision Commission to simplify this matter of local ordinances has not, therefore, been successful.

In the charter of 1897 a great variety of local subjects were regulated by the provisions of the charter itself. The Charter Revision Commission felt that these matters should be the subject of local regulation. This was not possible so long as the regulations with regard to them were contained in the charter, since no board of aldermen is competent to change a charter provision. It was therefore provided that these subjects should be included within the legislative powers of the board of aldermen. This part of the charter, as proposed by the Revision Commission, passed the legislature without amendment.

It is also provided in the new charter of the city that the board of aldermen shall have power to pass ordinances that shall be applicable to only a part of the city. This was necessary because the conditions in the different parts of the city are so different that it is impossible in many cases to adopt an ordinance which will deal satisfactorily, in all portions of the municipal territory, with the matters which it regulates. For example, under the charter of 1897 it was forbidden to beat carpets, to pile manure, to lead cattle or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to keep poultry or swine within the limits of the city, in some cases absolutely, in other cases without a license from the proper authorities. Inasmuch as a large part of the city of New York is really rural territory, it is evident that such regulations cannot be enforced with due regard to the rights of all of the inhabitants of the city, and it would seem that their existence simply offered opportunities for official oppression. During the hearings of the Charter Revision Commission it was brought to their notice that an individual in one of the outlying boroughs was being prosecuted before the courts for having beaten a carpet in a ten-acre lot.

As a third device for insuring the direction of municipal policy to the local legislature, the revised charter gives to this body more effective control over administrative officers. It provides, for example, that the board of aldermen shall have a longer time than they had under the charter of 1897 to consider the appropriations proposed by the board of estimate and apportionment. It also provides that each head of a department shall attend whenever summoned by the board of aldermen and shall be required to answer, on forty-eight hours' notice, any questions which may be put to him by any member touching the affairs of his department.

In the fourth place, the matter of bond issues is by the present charter treated quite differently from the way in which it was treated by the charter of 1897. It was said in the report of the Charter Revision Commission:

> The action of the municipal assembly in respect to bond issues has been justly subjected to much criticism. No matter for what purpose the city is compelled to borrow money, the issue of bonds must at present be approved by a vote of three-fourths of all of the members elected to each branch of the municipal assembly. The power to obstruct such issues thus resides in a very small minority of each House, and even where the money must be raised in order to pay the lawful creditors of the city, the power of obstruction has been not always used for proper purposes.

The present charter provides that the board of estimate and apportionment shall have the power to issue bonds in certain

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fixed amounts in cases where there is really no discretion as to their issue, such as for refunding purposes, paying awards in condemnation suits, and where experience has shown that money must be borrowed yearly to meet the necessities of the growing city — as, for example, to extend the docks or the water supply, or to provide for new school buildings. In all other cases — that is, for all new undertakings — the board of aldermen may, subject to the veto power of the mayor, prevent the issue of bonds by a vote of a majority of all of the members, taken within six weeks after receiving a copy of the resolution of the board of estimate and apportionment authorizing the issue.

Somewhat the same trouble has been experienced with franchises as with bond issues. The present charter has therefore adopted the same method for the granting of franchises as for the issue of bonds.

In the fifth place, the draft of the Charter Revision Commission attempted to regulate more definitely the salaries of municipal officials by making them matters of local determination and responsibility. There was under the operation of the charter of 1897 a considerable increase in salaries, which was believed to have been in a large degree unnecessary. The responsibility for this increase could not, however, be determined; inasmuch as the municipal authorities claimed that the increase was due to the action of the state legislature, while the latter pointed to a provision of the charter of 1897 which vested the power of fixing salaries in the local authorities. The draft revision provided that it should be the duty of the board of estimate and apportionment and the board of aldermen to fix all salaries. This provision at the same time made the fixing of salaries a local matter and took away from the heads of departments the power which they possessed under the charter of 1897. The exercise of this power by the heads of departments, it was believed, had resulted in considerable extravagance. As passed by the legislature, the recommendation of the commission was adopted as to all salaries save those of teachers in the schools; but in this one branch

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of municipal administration the old provision was retained — that salaries should be fixed by the head of the department or by the legislature.

The changes which the charter of 1901 makes in the matter of local legislation have been made with the idea of establishing local legislative authorities in the city, simple in character, which can really do for the city what it had been hoped by the commission of 1897 the municipal assembly would do, but which it had not done owing to the complexity of its organization and the various limitations on its power.

The Greater New York charter of 1897 continued the system of independent boards and officers which has been referred to, but endeavored to secure reasonable administrative permanence by giving the mayor a term of four years. The mayor's powers of appointment and removal were kept the same that they had been since 1895. The new charter, however, made a step in the direction of abolishing board administration in the park department by assigning the care of the parks of each borough to one of three commissioners, who were to meet as a board only for certain specified purposes; while the department of correction, the fire department and the departments grouped in the board of public improvements which had charge of the public works of the city were all made single headed. The present charter has attempted to provide single-headed departments in almost all cases, the only exceptions being the department of education and the department of taxes and assessments. The park and health departments are, it is true, boards in form, but actual administrative work is pretty thoroughly concentrated in single persons. In the department of parks each of the three commissioners has charge of the parks in a single borough or in two boroughs, and the three meet as a board only for certain purposes. The department of health, while nominally a board, is under the control of the commissioner of health, who for certain purposes meets with the health officer of the port of New York and the commissioner of police as a board of health.

The draft charter proposed by the Charter Revision Commission recognized the necessity of securing reasonable

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

permanence in the administrative organization of the city by retaining the long term of four years for the mayor. This was changed, however, by the legislature, which reduced the term to two years. The same objection, therefore, which could be made to the charter as it existed after the legislation of 1895, can be made to the present charter of New York — namely, that it sacrifices permanency in administrative policy to popular control.

The new charter has, however, vastly increased the power of the mayor over those heads of department whom he has the right to appoint. It has already been pointed out that the legislation of 1895, while giving to the mayor, through the power of removal for the first six months of his term, a real power of appointment at the beginning of his term, did not in any other way increase the power of removal which he had previously possessed. After six months of his term had passed, it was really impossible for the mayor to remove the head of a department except as the result of a trial which was much like a criminal trial and was subject to review by the courts. The natural result of such conditions was that permanency in the administration was sacrificed without gaining the concentration of responsibility for city government in the mayor. The present charter takes a great step forward in this respect by granting to the mayor an absolute power of removal throughout his entire term. The grant to the mayor of this power marks, it may be said, the culmination of the movement, which began in the early part of the century, toward increasing the power of the mayor at the expense of the council. At the present time the real responsibility for the administrative, as distinguished from the legislative, side of city government is absolutely and without limitation vested in the mayor, elected by the people of the city.

Such is the way, then, in which the new charter of the city of New York has endeavored to solve those problems which are common to the government of all cities of reasonable size. The two leading ideas in the changes which have been made

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have been the securing of greater power to the local authorities as a whole and the concentration of administrative responsibility in the mayor of the city.

II. *Metropolitan Problems.*

While the second class of problems which we are to consider are not of any particular interest to more than a very few cities in the United States, they are of intense interest to the people of the city of New York. They involve the question of municipal centralization — that is, the determination as to what branches of the administration should be confided to the central city government and what should be assigned to local organs within the city. These problems hardly existed prior to consolidation. The only exception to this statement was to be found in the conditions existing in what were then known as the twenty-third and twenty-fourth wards of the city, now known as the borough of the Bronx.

When these two wards were annexed to the city of New York, the attempt was made to put them under the control of the city department of parks. The management of the annexed district by the park department was not, however, satisfactory to the inhabitants of this district, who claimed that their interests were not receiving the proper attention from a department which not only was not representative of the district but also was mainly engaged in a different kind of work. The result of the agitation which was carried on for a reorganization of the system was the passage of an act, in 1890, which provided a commissioner of street improvements for the annexed district, who was to be elected by the people of the district and was to be vested with all administrative duties relative to the construction and maintenance of sewers and streets. The change thus made produced very satisfactory results.

The Greater New York Charter Commission which framed the charter of 1897 does not seem, however, to have been impressed with the experience of the annexed district. This commission recognized, of course, that it was improper that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the affairs connected with sewers and streets should be vested in a department which, like the park department, had other things to attend to; but it did not believe that the local election of the commissioner of street improvements was either a necessary or a proper plan to adopt. The commission did, it is true, provide for an officer to be elected by the people in each of the different boroughs, to be known as the borough president; but this official was not vested with anything like the powers which, by the act of 1890, had been vested in the commissioner of street improvement for the annexed district. The plan of the Charter Commission of 1897 in respect to the whole subject of public works may be characterized as departmental disintegration, rather than administrative decentralization. That is, the commission and the charter for which it was responsible provided for a greater differentiation of the administrative departments concerned with public works than had ever existed in the city of New York, and attempted to secure a reasonably harmonious policy by providing that the heads of the various departments should together form the board of public improvements, under the presidency of an officer who had no connection with any of the departments, to be known as the president of the board of public improvements. Each borough president had the privilege of a seat in the board of public improvements and the right to vote when any matter came up which affected exclusively the borough that he represented.

The result of this plan for attending to these matters was, therefore, to keep them removed from the control of the inhabitants of the various localities. The only attempt made in the charter of 1897 to recognize local needs was the provision that a deputy commissioner of each of the departments was to have an office in each of the boroughs; but the control of the work of each department was vested in the head of the department which represented the entire city.

The charter of 1897 did, however, provide further for boards of local improvements, as they were called. These were composed of the members of the municipal assembly from the various

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

local-improvement districts and were to be presided over by the respective borough presidents; but, so far as local improvements were concerned, these boards had merely the power to recommend that improvements should be initiated. Their action was subject to revision by the head of the department which had charge of the class of improvements involved, by the board of public improvements, by the two houses of the local legislature and by the mayor, inasmuch as the mayor had a right to veto the action of the local legislature.

Owing either to the fact that sufficient local control over these matters was not vested in the people of the districts, or to the rather cumbersome procedure which was necessary in order that a local improvement might be initiated, the people of the outlying boroughs were very much dissatisfied with the conditions existing under the charter of 1897. The discontent was, in fact, very much the same in character and intensity as that in the annexed district prior to the passage of the act of 1890.

The present charter has, therefore, reverted to the plan adopted in 1890, which the experience of the borough of the Bronx had shown to work satisfactorily. The adoption of this plan has involved the abolition, first, of the board of public improvements; second, of the department of sewers; third, of the department of highways; fourth, as a result of carrying the process of decentralization somewhat further than was contemplated by the act of 1890, of the building department; and, fifth, of the department of public buildings, lighting and supplies.[1] By the new charter the work formerly done throughout the entire city by these departments will, with the exception of the supervision of gas and electricity and the furnishing of supplies, be attended to in each borough by the president of the borough, who thus becomes for his locality a sort of a submayor for these branches of administration,

[1] This was a new department, created by the charter of 1897, the main duties of which were the charge of public buildings belonging to the city, the furnishing of supplies to the various departments and the control of lighting and electrical work generally throughout the city.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which experience has shown can be with advantage decentralized. He will have under him, appointed and subject to removal by him, several important officers — among others a commissioner of public works and a superintendent of buildings, and, in Queens and Richmond, a commissioner or other officer of street cleaning, since in these boroughs the charter provides that he shall clean the streets. The detailed organization of the boroughs is not, however, fixed in the charter but is left to each borough president to work out, with the approval of the board of estimate and apportionment and of the aldermen.

In close connection with the increase of the power of the president of the borough goes the increase of power in the boards of local improvements, which have been retained by the revised charter. The only formalities now necessary for the initiation of a public improvement of a local character — that is, roughly speaking, an improvement paid for out of local assessments — are the passage of a resolution by the competent board of local improvements and the approval of this action by the president of the borough and the board of estimate and apportionment. It was considered that the approval of this latter body should be required in order to safeguard the interests of the city as a whole; for under our system local improvements, while ultimately paid for out of local assessments, result at first in the issue of bonds by the city, which are the obligations of the city as a whole. It was felt, therefore, that the financial authority of the city which had this matter of bond issues in its hands should be able to exercise a control over the acts of the various local improvement districts, of which there are as many as twenty-five within the limits of the city.

The motives which led to the decentralization of the building department and the department of public buildings, lighting and supplies were partly economy and partly the belief that decentralization was absolutely necessary. Thus, in the case of the building department the testimony taken by the Charter Revision Commission was to the effect that, in connection with the work in the outlying districts, a large part of the time of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

building inspectors was lost by their being obliged to report at a central office both before and after they did their daily work. It was felt, further, that the conditions, so far as buildings were concerned, were quite different in different parts of the city, and that this difference ought to have its effect both on the building law and on the administration of the building department. The abolition of the department of public buildings, lighting and supplies was effected through the distribution of its functions among the presidents of the boroughs, the heads of departments and the department of water supply. Thus, the president of the borough is by the new charter given charge of the public buildings of the city within his borough; the heads of the various departments are vested with the power of furnishing supplies to their subordinates; while the supervision over gas and electricity is conferred upon the commissioner of water supply, who has thus in his hands the supervision of all the monopolistic services which are attended to either by the city or by public-service corporations.

The decentralization of matters connected with local improvements and affairs of a kindred character has been accompanied by centralization in those directions where it was believed that this would insure either greater economy or greater efficiency. In this respect the most conspicuous change is in connection with education. By the charter of 1897 the control of the material conditions of the schools was vested in a board of education acting for the city as a whole; but the control of the pedagogical side of educational matters was placed in the hands of borough school boards. As this scheme did not work satisfactorily, the new charter has provided for a board of education for the entire city which shall have general supervision of both these matters. It has, however, made provision for local school boards, acting for districts smaller than the borough, whose members are appointed by the president of the borough, and whose duties are largely consultative and supervisory in character, the real power being vested in the central board of education. This same principle of centralization has been applied to other departments — that is, the attempt

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has been made to centralize responsibility in the heads of the departments. The most marked example of this to be found is in the police department, where the old bipartisan board, as it was called, has been abolished and replaced by a single commissioner, though the supervision of elections has been assigned to a newly established bipartisan board.

While the charter of 1897 attempted to adopt a uniform plan in almost all branches of administration, the new charter has attempted to discriminate between matters where decentralization was absolutely necessary and matters where centralization could be applied with advantage. As to the latter class the plan has not been carried out by the legislature as fully as was recommended by the Charter Revision Commission. The charter as passed by the legislature maintains in the various boroughs in a number of instances the deputy commissionerships which had been abolished by the draft of the Charter Revision Commission.

The same reasons which led to the vesting of the care of local improvements in the hands of borough officers made it necessary that some representation should be assigned to the boroughs in the board of estimate and apportionment. This is really, in several important respects, a legislative body. Many of the powers possessed by the board of public improvements have by the new charter been vested in the board of estimate and apportionment, which also has a large control over the matters of current appropriations, bond issues, franchises and salaries. Representation of boroughs in the board of aldermen alone would have been an incomplete and ineffective representation, since that body does not alone determine the municipal policy. Borough representation upon the board of aldermen would not, therefore, insure fair treatment of the boroughs, so far, for example, as concerns appropriations from the city budget for the maintenance of existing institutions or bond issues for increases of plants. The representation granted by the charter of 1897 to the boroughs on the board of public improvements — that is, the power of the borough president to vote on propositions respecting exclusively his own borough

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

— had not been satisfactory. The new charter, therefore, provided that the boroughs, as such, should be represented on the board of estimate and apportionment, as well as on the board of aldermen. This necessitated a reconstruction of the board of estimate and apportionment. As constituted under the act of 1897, this board consisted, without exception, of officers who represented the city at large. They did not, however, represent in any way borough interests; and there was no assurance under the law that more than one of the boroughs would be represented upon the board of estimate and apportionment. Political conditions were, indeed, such that of the three elected members, the mayor, the president of the council and the comptroller, one would be accorded to the borough of Manhattan and one to the borough of Brooklyn; but the other boroughs would probably not have succeeded in many years in obtaining representation on the board of estimate and apportionment. Some change in the constitution of the board was necessary therefore, if representation of all boroughs upon it was to be secured.

Another reason for a change in the constitution of the board of estimate and apportionment was found in the different position which, by the plan of the charter of 1901, is accorded to the mayor. Prior to 1895 all of the other members of the board of estimate and apportionment were quite independent of the mayor. This was true notwithstanding the fact that two of the members, the corporation counsel and the president of the department of taxes and assessments, owed their office to a mayor's appointment; for no one mayor would probably appoint both of these members. The term of office of the two appointed members of the board was six years, while that of the mayor was two years. The grant, in 1895, of the power of removal to the mayor, which power was continued by the charter of 1897, somewhat diminished the independence of these two officers; for the mayor would probably make new appointments to these positions at the beginning of his term. But under the charter of 1897 they were, after their appointment, practically independent of the mayor, who might

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not remove them from office after the expiration of six months of his term. Under the charter of 1901, on the other hand, the mayor has an absolute power of removal, continuing through his entire term. Through this power the mayor could, if no change in the organization of the board were made, have absolutely dominated the board, so far as its deliberations were the result of a majority vote, since he and his two appointees would have formed a majority of the five. The constitution of the board of estimate and apportionment, therefore, had to be changed. This change might have been made either by providing for the election of members from the boroughs or by making the borough presidents *ex officio* members of the board. The latter plan was decided upon; because it was believed to have the advantages of not unnecessarily increasing the number of elective officers and of securing as members of the board persons who necessarily had great practical knowledge of some of the most important administrative work that the city had to undertake.

On the other hand, it was recognized as of doubtful wisdom to have the board controlled by the borough presidents, who, as heads of great spending departments, would have an interest in the expenditure, rather than in the saving, of money.[1] This difficulty was overcome by securing the control of the board to the three members who represented the city at large and who were not at the head of spending departments. This was done by providing that the eight members of the board should have sixteen votes, but that each of the three officers elected at large — the mayor, the comptroller and the president of the board of aldermen — should have three votes, making a majority of the whole number. The distribution of the remaining seven votes among the five borough representatives of the board was determined by making a rough estimate of the importance of the boroughs concerned. The boroughs of Manhattan and Brooklyn, while the smallest in area, are much

[1] Under the charters of the city preceding the charter of 1901 the board of estimate and apportionment has always been composed of officers who were not heads of departments spending large sums of money.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

larger from the point of view of population, wealth and taxpaying ability. No attempt was made at a mathematically exact proportion in the representation; but the disparity between the boroughs was recognized by giving to the presidents of the boroughs of Manhattan and Brooklyn two votes each, and to the other three one vote each. From the point of view of area, this was decidedly unfair to the Bronx, Queens and Richmond. From every other point of view it was decidedly unfair to Manhattan and Brooklyn. But, when looked at from all points of view, such a solution of the question seems to be satisfactory. It permits the growing boroughs to express their views as to their needs and at the same time enables the taxpaying boroughs to protect themselves from the excessive burdens that would be imposed by a too rapid development of the outlying districts.

The foregoing somewhat incomplete description of the charter of New York, as shaped by the last legislation upon the subject, of course does not attempt to go into any of the numerous details. But it is believed that what has been said will give a reasonably correct idea of the existing conditions of New York City government, of the changes which the new charter has introduced and also of the important points of difference between the draft of the Charter Revision Commission and the charter as finally passed. So far as the latter matter is concerned, it may be said that, apart from some of the details which have not been considered, the plan of the Charter Revision Commission was substantially followed in the act in which the new charter is contained, with one most important exception. This exception is as to the term of the mayor. It has been pointed out that the present system of municipal government, which centres all powers in the mayor and, among other things, vests in him the power of constituting an entirely new administrative force at the beginning of his term, sacrifices continuity of administration to popular control. It was the intention of both the commission which drafted the charter of 1897 and the Charter Revision Commission to obviate the most serious disadvantages of such a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

scheme, by giving to the mayor the comparatively long term of four years. In doing this both of these commissions were justified by the experience of the other large cities of the country. Thus, in Philadelphia, St. Louis, Buffalo, New Orleans and Louisville, the term of the mayor is four years. It is true, of course, that in the cities of medium size, as well as in the city of Chicago, the term of the mayor is only two years. In most of these cities, however, the election of a mayor will not of necessity result, as it will in New York, in an entire change in the higher municipal administrative officers; for the general rule is that these officers are appointed for a fixed term, and that the mayor does not have a power of removing them except for cause or with the consent of the city council. The result is that the shorter term of the mayor does not have the effect, as it will have in New York, of causing an entire change in the higher administrative service of the city. The action of the legislature in reducing the term of the mayor from four to two years is all the more to be regretted, inasmuch as it was accompanied by a similar reduction in the term of the president of the borough.

The present charter of the city of New York would seem to mark the beginning of a tendency toward the rehabilitation of the municipal council — a rehabilitation which was absolutely necessary if local self-government was to be secured. It is also marked by the concentration of administrative responsibility throughout the city, in the mayor for those matters which are distinctly of interest to the city as a whole, and in the president of the borough for those matters which interest the borough. It may, therefore, be expected, inasmuch as New York seems to lead the way in municipal development in the United States, that the two important features which have been worked out within the last ten or fifteen years with regard to the government of the city of New York — namely, local self-government through a city council and concentration of responsibility in the mayor (or submayor) — will be applied in the other cities of the country as fast as they have occasion to revise their charters.

FRANK J. GOODNOW.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE POLITICAL THEORY OF JEFFERSON.

NO name is more often or more intimately associated with American democracy than that of Thomas Jefferson. During his lifetime he was the American democrat *par excellence*, on his death he was politically canonized, and his words are still quoted with confidence and received with respect in the consideration of almost all political questions. Brought into prominence as the author of the Declaration of Independence, identified with the growth and triumph of the Republican party, inaugurated as its first president, framing its policies and providing its philosophy, Jefferson was undoubtedly the central figure in the early development of American democracy.

Yet, strange to say, there has been little effort made to analyze the political ideas of the Sage of Monticello or to ascertain his proper position in the development of political theory. There have been volumes of eulogy and of criticism upon his conduct, but a careful and adequate examination of his doctrines has not been made.[1] It is the aim of this paper, then, to set forth as clearly as possible the political theory of Jefferson, its content, its source and its place in the history of political speculation.[2]

Though regarded as the great advocate of American democracy, Jefferson bequeathed to posterity no systematic treatise on the principles of politics. His *Summary View* (1774) and *Notes on Virginia* (1782) are the nearest approach to this, and they can scarcely be considered an approximation.[3] Moreover, he was not a great orator, and there is no collection of addresses

[1] For the life of Jefferson, see H. S. Randall's work in three volumes; also Morse's volume in the American Statesmen Series.

[2] References are to Ford's edition of Jefferson's writings (ten volumes) unless otherwise specified. The Washington edition contains some material not found in Ford, and *vice versa*.

[3] See also Manual of Parliamentary Practice, Autobiography (to 1790) and The Anas (1791–1806).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in which his ideas are embodied. He was, however, a great correspondent; and we have a large collection of his letters, written to such persons as Madison, John Adams, Lafayette, Dupont de Nemours, Taylor, Kercheval, Johnston and others. From this extensive correspondence, in which topics of political theory frequently appear, together with some of his official papers, it is possible to reconstruct the theory of Jefferson, if not in minute detail, at least in general outline.[1]

The first important statement of Jefferson's political theory is contained in the Declaration of Independence. Here are eloquently expressed the now familiar doctrines of human equality, of the natural and inalienable rights of man, of the guaranty of these rights as the first cause of government, and of the right and duty of revolution when they are subverted. These doctrines, it is perhaps needless to say, were not original with the writer of the Declaration. They were the common property of his time, were on the lips of every patriot orator and found copious expression in resolutions throughout the colonies. It was later charged that the substance of the Declaration had been "hackneyed in Congress for two years before."[2] Jefferson himself was fully conscious that the originality of the statements lay in their form, rather than in their content, and his own explanation of his work is excellent:

> Neither aiming at originality of principle or sentiment, nor yet copied from any particular or previous writings, it was intended to be an expression of the American mind and to give to that expression, the proper tone and spirit called for by the occasion.[3]

Jefferson crystallized the common sentiment into a very effective form, but he could not and did not claim for himself the merit of presenting to the world a series of new or hitherto

[1] A useful classification of Jefferson's ideas on a great variety of subjects is made by J. P. Foley in The Jeffersonian Cyclopædia.

[2] Works, X, 267. This was alleged by Pickering and Adams, who also charged that "its essence was contained in Otis's pamphlet." R. H. Lee maintained that it was copied from Locke.

[3] *Ibid.*, X, 343. *Cf.* X, 268: "I did not consider it as any part of my charge to invent new ideas altogether and to offer no sentiment which had ever been expressed before." — Letter to Madison.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

undiscovered truths. This is not to say, however, that the authorship of the Declaration was not a signal distinction; it merely changes the category in which the distinction lay.

Inquiring more closely into Jefferson's theory of inalienable rights, we find him protesting against the idea that we surrender any of our natural rights on entering into society. Jefferson argued that these rights are not given up but, on the contrary, are rendered more secure.[1] He holds that the state should declare and enforce our rights, but should take none of them from us. Reasoning in this way, it is possible, he thinks, to mark out the proper sphere of state activity. Thus, as no man has a natural right to interfere with the rights of others, it is the duty of the law to restrain every one from such interference. Every man should contribute to the necessities of society; therefore the law should see that he does so. No man has a natural right to judge in his own cause; therefore the law must judge. Thus it appears that one does not lose his natural rights under government, but obtains a better guaranty of them.

Government is established, however, by the "consent of the governed," or at least a just government is so supported. What, then, is the nature of this consent, and how is it to be made effective amid constantly changing conditions? Jefferson was not satisfied with a contract made once and for all, like that of Hobbes, or with a merely hypothetical contract, or even with a presumption of tacit consent from the fact of residence. He looked upon the contract as a necessary foundation for legitimate government, and he considered that the agreement should have historical as well as logical validity. The principle of the social contract must be sacredly preserved in the life of the people, and Jefferson proposed two ways of insuring this end: first, by revolution; second, by periodical renewal of the agreement.

Revolution Jefferson did not regard with very great horror, if principle were involved in the process. He did not believe in government as something so sacred in nature as to be above

[1] Works, X (1816), 32 ff. *Cf.* Locke, Two Treatises of Government.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

human criticism. He did not "look at constitutions with sanctimonious reverence and deem them like the ark of the covenant, too sacred to be touched."[1] Government appeared to him as an institution existing for the good of the governed; and if it failed to serve this purpose, then it might be overthrown and another erected on its ruins. So far did he go in this direction that the beneficent elements in government were at times almost lost to view. He declared his dislike of energetic government because it is always oppressive.[2] He was on one occasion doubtful whether the first state of man, without government, as he says, would not be the most desirable, if the society were not too large.[3] He thought that republics should not be too severe in their treatment of rebellions, lest the free spirit of the people be suppressed. Rebellion, he argued, is a medicine necessary to the health of government, and its use must not be denied. It is wholesome, though bitter; or, using another figure, it clears the air like a thunderstorm.[4] Shays' Rebellion in Massachusetts Jefferson regarded with great composure — even with complaisance. The motives of the rebels were good, he thought, though doubtless they were ill informed on the situation. Better, however, that they should take up arms than tamely submit to what they deemed oppressive; for, after all, it is not rebellion that destroys a republic, but the dull lethargy that creeps upon and paralyzes the public spirit: "God forbid, that we should ever be seventy years without such a rebellion." There have been, he continues, thirteen states independent for eleven years, and during this time only one rebellion. This amounts to one in 143 years for each state — by no means an excessive number. How is it possible for a country to preserve its liberties if the rulers are not occasionally warned of the existence of a spirit of resistance among their subjects? "What signify," he asks, "a few lives lost in a century or two? The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants." [5]

[1] Works, X, 42.
[2] *Ibid.*, IV, 479.
[3] *Ibid.*, IV, 362.
[4] *Ibid.*, IV, 362.
[5] *Ibid.*, IV (1789), 467.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The idea of adherence to the principle of the social contract finds a less violent expression in Jefferson's argument for periodical renewals of the agreement. Rebellion or revolution serves to keep alive the public spirit; but it acts through irregular and illegal channels, and hence is best adapted to countries where the government is tyrannically inclined. For a free state, however, there are other plans that may be followed, without passing outside the boundaries of the law. A convention, reconsidering the organic law of the land and submitting the result of its deliberations to the people, really constitutes, he maintains, a renewal of the fundamental agreement. In this way the "consent of the governed" may be again invoked, and the government reëstablished on a just foundation. Each generation, such is the argument, has a right to establish its own law. "The earth belongs in usufruct to the living; the dead have neither powers nor rights over it."[1] It follows, then, that no generation of men can pass any law binding for a period longer than the lifetime of that generation, because their law-making power ceases with their existence. If one generation could bind another, the dead and not the living would rule. Since conditions change and men change, there must be opportunity for corresponding change in political institutions, and also for a renewal of the principle of government by consent of the governed.[2]

Having established this proposition, Jefferson proceeded to determine the exact period for which a law or a constitution might be considered as an expression of the will of the community. By the use of certain tables of M. de Buffon, he found that in any given society one-half of all those over twenty-one years of age will have passed away in eighteen years and eight months.[3] Therefore, he reasoned, no society can make any constitution, law, or contract of binding force for any period longer than nineteen years. Hence, if the society is to adhere to the principles upon which just government

[1] Works, V, 115.

[2] Compare the theory of Thomas Paine, as discussed in POLITICAL SCIENCE QUARTERLY, XIV, 389 (September, 1899).

[3] Works, V, 118–119.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is founded, there should be a revision of the fundamental law, or at least an opportunity for revision, every nineteen years. This plan was defended by Jefferson as a reasonable and practicable method of maintaining a free government in its integrity. "At first blush," said he, "it may be rallied as a theoretical speculation, but examination will prove it to be solid and salutary."[1] He urged that the first revenue law enacted by Congress should contain in its preamble a statement of this theory, and that the period for the granting of patents be limited to nineteen years; and he manifested much concern at Virginia's failure to adhere to the policy of periodical constitutional revision.

Such, then, were the two methods by which the consent of the governed might be made the constant basis of government — by periodical renewal of the contract, or, if this were impossible, by rebellion or revolution. Neither of these methods, however, was novel in political speculation when Jefferson propounded them. The idea of a "frequent recurrence to fundamental principles" was common to the time and was often expressed in the Revolutionary state constitutions;[2] while the plan for a revision of the constitution was not so radical as the provision actually made in Vermont and Pennsylvania for a Council of Censors and a septennial constitutional revision.[3] Opportunity for periodical revision of the constitution is of course still found in some of our states, though the period of eighteen years and eight months is not always adopted.

Having considered Jefferson's theory as to the basis of the government, it is now in order to examine his position as to the various classes of government.[4] What, then, was his

[1] Works, II, 123. See VI (Washington edition), 136, 197; VII, 15, 359. Madison's reply to Jefferson (in Madison's writings, I, 503–506) urges the debt owed by the living to the dead and advocates the doctrine of "tacit consent."

[2] Massachusetts (1780), sect. 16; Pennsylvania (1776), sect. 14; New Hampshire, sect. 38; North Carolina, sect. 21; Vermont, sect. 16.

[3] See Jameson, Constitutional Conventions, sect. 544.

[4] Works, IV, 362. Jefferson classified societies into three groups: (1) those destitute of government; (2) those in whose government the will of every one has a just influence; (3) those whose governments rest on force. — Letter to Madison (1787).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

opinion of monarchy? The government of a king Jefferson regarded, at least in the earlier part of his life, with utter abhorrence. Though not the equal of Paine in the vigor of his invective against kings, he was but little inferior. He declared that "no race of kings has ever presented above one man of common sense in twenty generations."[1] Again: "There is not a crowned head in Europe whose talents or merit would entitle him to be elected a vestryman by the people of any parish in America."[2] Writing in 1810, he stated that, to his personal knowledge, Louis XVI was a fool; and in the same category were included the kings of Spain, Naples, Sardinia and Denmark and the queen of Portugal; while the successor to Frederick the Great he characterized as a mere hog.[3] Moreover, he thought that if there were any efficient hereditary monarchies, their power would decay in the course of a few generations. Jefferson's favorite and perhaps most effective form of attack upon his opponents was to arouse the suspicion that they were at heart monarchists, longing for the restoration of royalty.[4] In later years, however, after the failure of the European revolutions to establish democracy, he was inclined to concede that under certain conditions a monarchy might really be the most desirable form of government.[5]

The next point of inquiry is Jefferson's opinion of aristocracy. Judging from his famous utterance, "All men are created equal,"[6] he is generally regarded as the great champion of human equality. Against this is sometimes urged the fact that the ownership of slaves is hardly in keeping with ideas of universal equality. It should not be forgotten, however, that Jefferson was really opposed to the institution of negro slavery and more than once went on record against it, as in his

[1] Works, IV, 426. [2] *Ibid.*, V, 8. [3] *Ibid.*, V (Washington), 515.

[4] In 1824 he said that he had charged the Federalists with adherence to the *forms*, that is, the ceremonies, of the British government, not with a desire to introduce the British *form*, *i.e.*, the monarchy. Works, X, 309–310.

[5] See letter to Lafayette (1823) in Works, X, 279 ff. *Cf. infra*, p. 40.

[6] It is perhaps needless to state that Jefferson did not originate this phrase. It is at least as old as the third century of our era: "Quod ad jus naturale attinet, omnes homines aequales sunt." — From Ulpian (died *ca.* A.D. 228) in Digest, L, 17, 32.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

proposition for a Virginia constitution[1] (1776) and in the report on the "Government for the Western Territory" (1784).[2] Later in life he was forced to abandon his early hope that slavery would soon cease to flourish in America, yet he still believed in the ultimate extinction of slavery and declared (1814) that "the love of justice and the love of country plead equally for the cause of these people."[3] He said that the hour of emancipation was advancing with the march of time and urged continual effort, "softly but steadily."

Aside from this point, however, it is easy to show that Jefferson was not at all a believer in the absolute equality of men.[4] In this connection it is interesting to examine his correspondence with John Adams upon this very question of aristocracy. Adams denounced in set terms the theory of the equality of all men, declared that society is divided into two classes, "gentlemen" and "simplemen," and demanded the legal recognition of this difference in ability.[5] Jefferson does not deny the existence of an aristocracy among men, but distinguishes between the *natural* aristocracy and the *artificial* aristocracy. One is based upon virtue and talent, the other upon wealth and birth. The "natural aristocracy" appears to him as the "most precious gift of nature," and highly useful for the purpose of instructing and governing society. He even goes so far as to say: "That form of government is the best, which provides the most effectively for a pure selection of these natural *aristoi* into the offices of government."[6] The "artificial aristocracy," based on wealth and birth, is mischievous, even dangerous, and should not receive legal recognition.

[1] Works, II, 26.

[2] *Ibid.*, III, 429. "After the year 1800 of the Christian aera, there shall be neither slavery nor involuntary servitude in any of the said states otherwise than in punishment of crimes whereof the party shall have been convicted to have been personally guilty."

[3] *Ibid.*, IX, 477 ff.

[4] With the Declaration of Independence should be read Jefferson's proposed constitution for Virginia (1776), II, 7 ff. See also the propositions of 1783, 1794 and 1816.

[5] "Defence of the Constitutions of Government of the United States," in Writings of John Adams, VI, 185.

[6] Works, IX, 425.

PEORIA PUBLIC LIBRARY
JUN 26 1905
PEORIA, ILL.
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In reply to Adams's proposition that the aristocracy should be represented in one legislative chamber and the people in the other,[1] he urged that the separation of the pseudo-aristocracy from the genuine should be left to the people themselves. Some mistakes will doubtless be made, but the really good and wise will generally be selected.[2] Jefferson, it may be said, believed in an aristocracy, but only in the sense that the best fitted for governing should rule, and that the selection of the *aristoi* should be made by the people, rather than on a basis of birth or wealth. He wanted aristocratic rulers democratically chosen. But, in this connection, it must be remembered that the democracy of his day was not the democracy of ours. As late as 1824, Jefferson estimated that a majority of the freemen in Virginia were excluded from the franchise,[3] and there were many inhabitants who were not even freemen.

Having reviewed his ideas on monarchy and aristocracy, it now remains to consider Jefferson's idea of democracy. What was the theory of "Jeffersonian Democracy"? The doctrines of natural rights and the "consent of the governed" have already been examined; but, more specifically, what was his idea as to the characteristic features of a democratic government? This is not easy to determine; for, in the first place, his notions were never systematically and not always clearly expressed; and, in the second place, there are contradictions between his political theory and his practical politics. The theory of Jefferson, the political scientist, and the practice of Jefferson, the man of affairs, are not always free from inconsistency. An effort will be made here, however, to show as clearly as possible from the scattered sources at command what Jefferson's theory of democracy really was.

Jefferson defines a republic as "a government by the [its] citizens in mass, acting directly and personally, according to

[1] Writings of John Adams, IV, 379.

[2] Works, IX, 427. See Jefferson's explanation of the difference in opinion between Adams and himself.

[3] *Ibid.*, X, 303. *Cf.* Ford, Rise and Growth of American Politics, ch. v; Thorpe, Constitutional History, I, ch. 7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rules established by the majority."[1] Governments are republican in proportion to the degree of direct action on the part of the citizens,[2] and there are of course many varying degrees. This is, however, only a very general statement and lacks definiteness of outline. One of the best supplementary statements is that found in Jefferson's first inaugural address.[3] Here are laid down the main principles which should obtain within a democracy. They include, among others, the following propositions: equal and exact justice; jealous care of the right of election by the people; the rule of the majority;[4] the preservation of the guaranties of civil liberty, such as freedom of religion, freedom of the press, the habeas corpus and jury trial; the subordination of the military to the civil authority; and economical administration. In these phrases are summed up his democratic program, and under his type of government they would all be found in operation.

As a further means of determining what Jefferson's idea of a democratic government was, we may examine his views on the executive, the legislative and the judicial powers.[5] Jefferson favored a single executive, rather than a board. In his plan of a constitution for Virginia (1776) the chief executive was to be styled "administrator," was to be elected annually by the legislature, to be ineligible three years in four, to possess no veto power and to serve without salary.[6] But in 1783 he proposed that the governor be elected for five years, receive a salary and possess powers of a more substantial character than before.[7] Jefferson had been governor in the interval

[1] Letter to Taylor, in Works, X, 28. See also letters to Dupont de Nemours, X, 22 ff.; to Judge Johnson, X, 226; and to Gerry, VII, 327.

[2] "Action by the citizens in person, in affairs within their reach and competence; in all others by representatives chosen immediately and removable by themselves, constitutes the essence of a republic." — Letter to Dupont de Nemours, X, 24.

[3] Works, VIII, 1 ff.

[4] *Ibid.*, VIII, 4. "Absolute acquiescence in the rule of the majority, the vital principle of republics from which there is no appeal but to force."

[5] See the various propositions made by Jefferson for a Virginia constitution in 1776, 1783, 1794 and 1816.

[6] Works, II, 17–18.

[7] *Ibid.*, III, 325.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

between the two propositions. He condemned (1787) the failure of the United States Constitution to limit the President to one term,[1] but later (1805) declared that "the service for eight years, with a power to remove at the end of the first four, comes nearly to my principles as corrected by experience."[2] Jefferson had been President in the meantime. The best commentary on his idea of the executive is given by his own exercise of the office, acting "as corrected by experience"; though it is possible that this is an overstatement, for he might have opposed the exercise by others of such powers as he himself wielded.

The democracy of Jefferson was satisfied with a bicameral legislature, but he was not anxious for the great predominance of the legislature that marked the early Revolutionary days. In his *Notes on Virginia* he sharply criticised the existing organization of the legislature in that state. He charged that "all the powers of government, legislative, executive and judicial, result to the legislature,"[3] so that a genuine despotism was the outcome. It is no argument to say that these powers will be exercised "by a plurality of hands and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one. An elective despotism was not the government we fought for."[4] A true democracy must, to a certain extent, be represented by means of a legislature; but Jefferson was not carried away by the French idea of a unicameral legislature, exercising sovereign power as the representatives of the nation.[5]

The judiciary — the Federal judiciary — was an object of the greatest concern to him, although his anxiety may have been for the security of the federal system of government, rather than fear for the democracy, except so far as democracy

[1] Works, IV, 477; V, 77. He did not wish this provision to be changed during the incumbency of Washington, but hoped it would be corrected "the moment we can no longer have the same name at the helm."

[2] *Ibid.*, VIII, 339. [3] *Ibid.*, III, 224.

[4] But a government so balanced "as that no one could transcend its legal limits, without being effectually checked and restrained by the others." — *Ibid.*

[5] Franklin and Paine accepted this French idea.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and federalism were associated in his mind. The Supreme Court, especially with John Marshall at its head, aroused the darkest suspicion in Jefferson's mind. He compared the power of the court to the force of gravity, always tending in the same inevitable direction.[1] He likened its progress to that of a thief advancing over the field with noiseless step. He feared that the Federal judiciary would usurp the powers of the state courts and become the consolidated judiciary for the whole nation. He upheld, therefore, the right of the executive to an independent interpretation of the Constitution, as a check on the encroachments of the Supreme Court. He was also opposed to the independence of the judges; for impeachment he regarded as a mere scarecrow.[2] A safer method seemed to him to be the appointment of the judges for a term of four or six years, with confirmation of appointment by both houses of Congress. The judges should also be removable on address of both houses.[3]

Further evidence as to Jefferson's notion of democracy is given by examination of what he once termed the "two hooks" upon which republican government depends.[4] These were an educational system and a system of local government. Keenly appreciating the necessity for popular intelligence as a basis for successful popular government, Jefferson was a constant advocate of all measures for the diffusion of knowledge among the masses. If government rests upon public opinion, he said, then our first and foremost care is to see that this opinion is kept right.[5] Opinion that is unenlightened and unsound would be the death of free government. He once said that, if forced to choose between a government without newspapers

[1] Works, VII (Washington edition), 216, 223, 230, 256; X, 197, 225.

[2] *Ibid.*, VII (Washington edition), 256.

[3] *Ibid.*, X, 198. For an account of Jefferson's attacks on the Federal judiciary, see McMaster, History of the People of the United States, III, 163 ff. Referring to a bill authorizing the incorporation of a copper-mine company in New Jersey, Jefferson says: "Following the pedigree of necessities, Congress are authorized to defend the country; ships are necessary for that defence; copper is necessary for ships; mines are necessary to produce copper; companies are necessary to work mines; and this is the house that Jack built." — VII, 446.

[4] *Ibid.*, IX, 227.

[5] *Ibid.*, IV, 360.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and newspapers without a government, he would not hesitate to choose the latter alternative, assuming that every man received the papers and were capable of understanding them. Jefferson exerted himself in behalf of educational institutions in his own state, and to his earnest efforts was largely due the establishment of the University of Virginia.[1]

The second "hook" was local government. Referring to his experience at the time of the Embargo Act, Jefferson said: "I felt the foundations of the government shaken under my feet by the New England townships."[2] He recommended for Virginia a system of local government modelled quite closely after the New England type, to take the place of the "large and lubberly divisions into counties." "Wards" were to take charge of the elementary schools, to care for the poor and the roads, and to have a system of justices, constables and police.[3] But the "ward" was merely one step in the scheme of governmental gradation which Jefferson had in mind. He conceived that liberty should be secured, not only by a tripartite division of governmental powers, but also by a further distribution among a series of organizations extending from ward to nation. First should come the elementary republics or wards, then the county republics, then the states and finally the nation. Governmental powers should be delegated "by a synthetical process to higher and higher orders of functionaries, so as to trust fewer and fewer powers in proportion as the trustees become more and more oligarchical."[4] Local government would thus be made a part of the complicated "check and balance" system in the intricacies of which despotism would be entangled and rendered powerless.

Another feature in the Jeffersonian program should perhaps receive mention at this point, namely, the plea for the subordination of the military to the civil authority. He argued against a large standing army as a likely instrument of

[1] See Randall's Jefferson, III, 461.
[2] Works, VI (Washington edition), 544.
[3] *Ibid.*, VII (Washington edition), 357; also V, 524.
[4] *Ibid.*, VII (Washington edition), 543.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

oppression. Absolute governments must depend upon force, but a free state, he held, should place its confidence in the good will of its citizens. So far as military power is necessary for purposes of defense, the need should be supplied by a well-disciplined militia. A standing army was associated with monarchical power. It was a part of the Republican policy to reduce the army and the navy to as low a footing as possible, and under Jefferson this was the line of conduct followed by the administration. In this way an alleged monarchical tendency was checked and at the same time the expenses of government were reduced, although the Embargo Act involved an exercise of power like that of a "consolidated government." The suppression of the military power was undoubtedly one of the features in the Republican plan for governmental regeneration — indeed, it has been urged that this was the real significance of the transition in 1801; but Jefferson did not present any very elaborate arguments upon the question, and it did not occupy a very prominent place in his political theory.[1]

Thus far this inquiry has extended into Jefferson's definition of a republic and an examination of various features included in the program of such a government. Yet all these considerations fail to show what was the real essence of Jefferson's democracy. They reveal in part his policy, but his policy was never complete either in theory or in actual practice. That which gave life and color to all these measures for democratic reform was the article in Jefferson's political creed which must now be considered. The distinctive and characteristic feature of his doctrine is most clearly expressed in his correspondence with John Adams; here may be seen the real difference that divided these two great leaders, one the advocate of the "well-born," the other the apostle of democracy — their opinions characteristic of two great parties and of two great schools of political thought. This difference has already been indicated, but may here be better explained and more appropriately emphasized. Adams divided the

[1] Ford, American Politics, p. 113.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

people into two classes, "gentlemen" and "simplemen." He declared:

We may appeal to every page of history . . . for proofs irrefragable that the people, when they have been unchecked, have been as unjust, tyrannical, brutal, barbarous and cruel as any king or senate possessed of uncontrollable power.[1]

Therefore,

All projects of government based upon a supposition of continual vigilance, sagacity, virtue and firmness of the people, when possessed of the supreme power, are cheats and delusions.[2]

He was consequently anxious for a balanced government of the most complex nature, including, as one of its elements, a legal recognition of the aristocracy. He appeared to doubt and distrust the capacity of the people for any high degree of self-government.

Against such a theory, Jefferson maintained that men are naturally divided into two classes:

1, those who fear and distrust the people; 2, those who identify themselves with the people, have confidence in them, consider them as the most honest and safe, although not always the most wise, depositories of public interests.[3]

In the opinion of the first class the masses must be held in check by physical and moral force, and can be restrained in no other way. The contention is that men are essentially incapable of ruling themselves and must be governed by authorities independent of their will and not subject to their judgment. But the second class, on the other hand, argues Jefferson, place their trust in popular capacity for self-government, maintaining that man is a rational animal and possesses a natural and innate sense of justice, and that for the preservation of peace and order he does not require restraint from above or outside, but is competent to choose his own rulers and hold them dependent on his will. The same idea as to the two classes of opinions is expressed in a letter to Dupont de Nemours, in which Jefferson says: "We both love the people, but you love

[1] Adams's Writings, VI, 10. [2] *Ibid.*, VI, 166.
[3] Works, VII (Washington edition), 376.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

them as infants whom you are afraid to trust without nurses, and I as adults whom I freely leave to self-government."[1]

The essence, then, of Jefferson's democracy was confidence in the self-governing capacity of the great mass of the people — a belief in the ability of the average man or of average men to select rulers who will conduct the administration in general accord with the interests of the society. The divergence of opinion just here made Adams an aristocrat and Jefferson a democrat — not that Adams had no confidence, or that Jefferson had all confidence, in the people, but the degrees of confidence differed widely. We might say that one looked with suspicion on the people first of all, the other distrusted first the government and after that the people. Both favored a balanced government; but Adams desired primarily to prevent violent action on the part of the people, whereas Jefferson's first aim was to prevent oppression by the government; one reasoned that the people should be watched, the other that the government should be kept in constant view.[2] Confidence in the people was, therefore, the distinguishing characteristic in the *theory* of Jeffersonian democracy. In practice, however, the early "democracy" was aristocratic in the nature of its rule and continued to be so until the time of Jackson, when the democratic theory found a more complete expression in political institutions.

It must further be noted that Jefferson's theory of democracy was by no means so doctrinaire as is often supposed. He did not argue that democracy was equally adapted to all times, places, conditions and peoples, as some have assumed. Confident of the ultimate triumph of democratic principles, he was not eager for their immediate and universal application. Nothing could be clearer than his statement that "the excellence of every government is its adaptation to the state of those who are governed by it."[3] The Sage of Monticello was not so blind

[1] Works, X, 23; one of the best of the statements of democratic principles.

[2] Jefferson once said to John Adams that one difference between their parties was in regard to the "improvability of the human mind." — Works, IX, 387.

[3] Letter to Dupont de Nemours, in Works, X, 22. *Cf.* also VIII, 127: "What is practicable must often control pure theory and the habits of the governed determine in great degree what is practicable."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a devotee of democracy as to believe that civil and political liberty needed no firmer basis than a paper constitution. To Lafayette he said that liberty becomes, "with an unprepared people, a tyranny still of the many, the few or the one."[1] Again, he expressed doubt "whether the state of society in Europe can bear a republican form of government,"[2] and therefore advised "a hereditary chief strictly limited." The cause for the failure of the continental revolutions is discovered in the fact that "the mob of the cities, the instrument used for their accomplishment, debased by ignorance, poverty and vice, could not be restrained to rational action."[3] Discussing American conditions, he comes to the conclusion that the Spanish-American states are not ready for republican institutions, since their experience "has disqualified them for the maintenance or even knowledge of their rights."[4] Louisiana is not ready (1803) for the exercise of complete political liberty and is to be granted it "in proportion as we find the people there riper for receiving the first principles of freedom."[5] Jefferson points out that in America economic conditions favor independence.[6] Here every one owns property or is at least so well situated as to be interested in the maintenance of law and order. It seems then that

> such men may safely and advantageously reserve to themselves a wholesome control over their public affairs and a degree of freedom which in the hands of the canaille of the cities of Europe would be instantly perverted to the demolition and destruction of everything public and private.

Elsewhere he remarks that the Americans will continue to be virtuous and retain their democratic form of government so long as they remain an *agricultural* people; but "when they get piled upon one another in large cities, as in Europe, they

[1] Works, IX (1815), 505.

[2] *Ibid.*, X (1823), 279: "A hereditary chief strictly limited, the right of war vested in the legislative body, a rigid economy of the public contributions and absolute interdiction of all useless expenses, will go far toward keeping the government honest and inoppressive."

[3] *Ibid.*, VI (Washington edition), 227.

[4] *Ibid.*, IX (1811), 322; also IX, 430, 435.

[5] *Ibid.*, VIII, 275. *Cf.* Paine, to the same effect.

[6] *Ibid.*, IX, 428; IV, 479.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

will become corrupt as in Europe."[1] In one instance he even goes so far as to say that the people here "would go on as well under an absolute monarch while our present character remains of order, industry and love of peace."[2]

Jefferson believed fully in democracy and was confident of the ultimate triumph of the system, but he was too keen and careful an observer to think that all people were capable of adopting the American system in his day. This may not have been in harmony with his ideas on natural rights; but as he himself said, theory and practice are not always in accord, and "the habits of the governed determine in great degree what is practicable."

Some interesting light is thrown on Jefferson's philosophy by noticing upon what systematic political theorists he was most dependent, and which of them in his opinion best expressed the true principles of political science. From the classical writings, Jefferson apparently derived little inspiration. Aristotle he knew,[3] but thought of little value; and Plato's writings he considered as so much worthless "jargon."[4] The chief source from which Jefferson drew his inspiration is commonly supposed to have been the philosophers of the eighteenth-century democracy in France. It is often said that his head was turned by French ideas, that he was a "Rousseauist," and that the speculative Jefferson was really a Frenchman. The extent of the French influence upon Jefferson was, however, far less than is generally supposed. Montesquieu and Rousseau, who might be presumed to have had a large share in determining his views, seem to have affected him very little. Montesquieu he held in no high esteem:

> I am glad [he says] to hear of anything which reduces that author to his just level, as his predilection for monarchy and the English monarchy in particular has done mischief everywhere and here also to a certain degree.[5]

[1] Works, IV, 479. [2] *Ibid.*, X, 31.
[3] *Ibid.*, VII (Washington edition), 31.
[4] *Ibid.*, IX, 462.
[5] *Ibid.*, V (Washington edition), 535. *Cf.* VIII, 24.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Rousseau is not discussed or recommended for reading by Jefferson; nor do the latter's theories show as much resemblance to Rousseau's as to other French writers. Jefferson recommended Condorcet's *Esquisse d'un Tableau Historique des Progrès de l'Esprit Humain*, and probably obtained from this source his ideas on human "improvability." The only French work which he cites with enthusiasm is that of Destutt de Tracy, *Commentaire sur l'Esprit des Lois*. This volume he had translated (1811) into English, so that it might circulate freely in this country. He referred to Tracy's work as the "most precious gift the present age has received,"[1] "giving the most correct analysis of the principles of government which has yet been offered"; although he did not agree with all the theories contained in it, notably the doctrine of a plural executive.[2] But this work did not appear until long after the early and more radical period in Jefferson's life was over. The Declaration of Independence antedated it by thirty-five years, and Tracy himself had been influenced in no small degree by American publicists, as appears from his eulogy of our federal system of government. It is hence impossible to impute the paternity of Jefferson's ideas to this work.[3] Indeed, it is unnecessary to go outside of the English theory of politics to find ample precedent upon which Jefferson might draw. In the English writers, particularly of the seventeenth century, are found revolutionary and democratic principles of the most decided character,[4] anticipating not only Jefferson, but in large measure Rousseau himself. As I have indicated above, when Jefferson's rivals wished to detract from his fame as author of the Declaration, they could point to the substance of this instrument in the words of Locke; the ideas were the common property of the time — not borrowed from Rousseau, Montesquieu or Helvetius. Jefferson's theory followed a line of thought already marked out during the English revolution

[1] Works, IX, 305, 500. [2] Letter to de Tracy, *ibid.*, IX, 305.

[3] The commentary appeared first in America, and eleven years afterward in France (1822).

[4] See G. P. Gooch, English Democratic Ideas in the 17th Century.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by Milton, Sidney and Locke, and taken up by colonial thinkers before Rousseau had begun to write.[1]

When called upon for advice as to the best political literature, Jefferson recommended Locke and Sidney of the earlier writers, and of the later: Priestly's *Essay on the First Principles of Government*, Burgh's *Political Disquisitions*, Chipman's *Sketches of the Principles of Government*, *The Federalist*, which he once commended as "the best commentary on the principles of government which was ever written," and Tracy's *Commentaries*.[2] Jefferson was also an intimate friend of Thomas Paine, and there are many common points in their theory. In a letter to Paine he assured him that the Americans are

> firm and unanimous in their principles of republicanism and there is no better proof of it than that they love what you write and read it with delight. The printers season every newspaper with extracts from your last, just as they did before from your first part of the *Rights of Man*.[3]

On the whole, it appears that, so far as the revolutionary character of his theory was concerned, Jefferson was little in advance, logically, of his predecessors. The difference between Jefferson and Locke, for example, was not so much in fundamental principles as in the development of and deductions from these principles. Jefferson and Locke were both democratic and revolutionary in theory, but Jefferson went farther than Locke in his advocacy of democratization of the government. Between the *Fundamental Constitutions* of Locke and the Jeffersonian program there was a wide difference. Locke's attitude toward the organization of the government was wholly aristocratic, while that of Jefferson was essentially democratic. They agreed in their destructive, but not in their constructive, program. Both were opposed to absolutism; but Locke

[1] "Political Ideas of the Puritans," POLITICAL SCIENCE QUARTERLY, VI, 1, 201.

[2] Works, IX, 71, 481. The list includes also Vattel and Rayneval on international law; Say, Smith, Malthus and Tracy in economics; and Coke, rather than Blackstone, who was infected with "Mansfieldism" (X, 376). See also his recommendations on history, ethics and philosophy in the same connection.

[3] *Ibid.*, VI, 87.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

feared, while Jefferson favored, the erection of a "numerous democracy."[1]

In conclusion, what should be said of Jefferson's rank as a political theorist? The important service rendered by the Sage of Monticello was not the scientific elucidation of theory. The doctrines he advocated had all been discussed and developed long before his time, and he did not improve much on the classic argument of Aristotle, the reasoning of Locke or the brilliant logic of Rousseau. He cannot be classed as one of the great political thinkers. He did not inquire deeply into the nature of the state, its forms of organization or any of the numerous problems arising out of the complex relations of political association. He did not write systematically at all, and what he did write was notable rather because of its rhetoric than because of its scientific depth or clearness. Tested by the canons of the schools, Jefferson falls far short of the stature of a great political philosopher.

What, then, shall be said of this personality so preëminent in the annals of American democracy? What was the source of his power and what the significance of his career? One great cause of his power was the unusual sagacity and astuteness that made him a great party leader. With a "machine" that was ill organized, if organized at all, and with little patronage, Jefferson's political genius guided the Republicans on to the destruction of their rivals. Another source of his power was his singular gift for popular statement of popular ideas. He crystallized the common democratic sentiment, giving it form and power. He was great in his ability to interpret and express popular feeling. Another source of his power was his great confidence in the people. He believed in their capacity for self-government, had confidence in the soundness of their judgment and was hopeful of the future of democratic institutions. In spite of the many inconsistencies in his conduct, Jefferson stands out as the great apostle of the democratic faith in his day. He appeared as the advocate of the

[1] See, on the source of the ideas of colonial theorists, Lewis Rosenthal, "Rousseau in Philadelphia," *Magazine of American History*, XII, 46.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"people" against the claims of "monarchists" and "aristocrats." He not only defended the people on theoretical grounds, but he was identified with a fairly definite program of democratic reform, a part of which he was successful in carrying out and much of which was realized later under the Jacksonian democracy. He stood for the extension of the suffrage, periodical revision of the constitution, religious liberty, subordination of military to civil authority, the maintenance of local governments as a barrier against excessive centralization, and for a certain democratic simplicity, in place of the elaborate ceremony of kings and courts. This was the framework of his political system, while the life and spirit of it was faith in the self-governing capacity of the people.

C. E. MERRIAM, JR.

UNIVERSITY OF CHICAGO.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CROMWELL'S POLICY IN ITS ECONOMIC ASPECTS. II.

III. *The Continental Project and the French Alliance.*

THE expedition to the West Indies, as well as the Dutch war, marks, as Mr. Gardiner has well said, "the decline of the spiritual ecstasies of Puritanism and the rise of the mundane spirit."[1] Cromwell's policy had become more and more one devoted merely to England's material greatness. Commercial and territorial expansion was the goal ever in view. From his lips there were many speeches in favor of an alliance of Protestantism against Catholicism, and the cause of his religion was unquestionably one to which he was sincerely devoted; but the fundamental motives for his policy were economic, and only to a minimun degree were his actions influenced by the "Protestant Interest." There is no justification for the view advanced by Seeley and Frederic Harrison that "the fundamental principle of the policy of the Protectorate . . . is the union of all the Protestant Powers of Europe under the leadership of England."[2] That Cromwell had such a plan is well known: in fact, it was a hobby of his, but one to which his actual policy was not subservient. He drew back whenever the consequences of this Protestant policy brought him into conflict with England's material greatness. His ideal was an anachronism, — a heritage of the Elizabethan era, — but in actual policy he was ahead of his times, the legitimate predecessor of Clive, Chatham and Cecil Rhodes. As Mr. Firth epigrammatically says: "Looked at from one point of view, he seemed as practical as a commercial traveller; from another, a Puritan Don Quixote." It was "the commercial traveller"

[1] Gardiner, Commonwealth and Protectorate, II, 478–479; Cromwell's Place in History, pp. 94–95.

[2] Seeley, British Policy, II, 46; Harrison, Oliver Cromwell, p. 218.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who acted, and the "Puritan Don Quixote" who dreamt and spoke.

Viewed from the standpoint of the Protestant Interest, Cromwell's great enemy was Spain. Yet for a long time he hesitated whether or not to make an alliance with this country. On the other hand, his natural friend was the Dutch republic, with which, in the opening years of his Protectorate, he was engaged in a fierce struggle. When, finally, Cromwell's desire to add the Spanish-American colonies to England's possessions brought about a break with Spain, it was with Catholic France that he made an alliance. And this alliance was directed against the Dutch even more than against Spain. The United Provinces stand out conspicuously as the great antagonist and enemy of England. Economic opposition to the Dutch is the fundamental note of Cromwell's policy after the conclusion of the West-Indian expedition. It was a policy which was in direct antithesis to his ideals, but one which was forced upon him by Dutch hostility and by the fact that economic forces made this hostility inevitable. It is characteristic of Cromwell, as "the most typical Englishman," that he abandoned his ideals, when he was brought face to face with the stern logic of economic facts.

In spite of the attack on the Spanish West Indies, it had been expected with some degree of assurance by Cromwell that peace would be preserved in Europe.[1] France had not resented the conquest of Acadia, nor was it inevitable that Spain should go to war on account of the attack on Hispaniola. The extent to which unofficial war was carried on by the European states in the seventeenth century is such that we can scarcely realize it, and nowhere was the guerilla warfare deemed more legitimate than on the Spanish Main. It was a reasonable assumption that Spain would not proclaim war. But Cardenas, the Spanish ambassador in England, was sincere when he said that giving up the West-Indian monopoly was equivalent to depriving his master of one of his eyes. Consequently war between England and Spain in Europe followed the West-Indian expedition.

[1] Clarke Papers, III, 205.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The effect of this war was to throw England into the hands of France. As soon as it was seen that Spain intended to resent the attack on her colonies, negotiations for a French alliance progressed with new zeal. A treaty was about to be concluded when Cromwell heard of the brutal treatment of the Waldenses in Piedmont by French troops returning from Italy. France's indirect connection with this persecution delayed the negotiations; but finally, in November, 1655, much to Mazarin's delight,[1] Cromwell concluded a treaty of commerce with France, which brought to an end the fierce guerilla war that had been carried on during the last six years.[2] This treaty[3] was, however, merely a prelude to the treaty of alliance which was concluded in 1657.[4] Mazarin had been holding back, but the success of Condé at Valenciennes made him again desirous of a closer bond with England.[5] This treaty of March 23, 1657, provided that Gravelines, Mardyke and Dunkirk were to be besieged by the joint forces of the allies, and that Dunkirk and Mardyke, when captured, were to be handed over to England. Cromwell, at the same time, renounced all pretensions to any other places in Flanders.

What did England want with Dunkirk, a port on the continent? What was Cromwell's object in trying to get possession of Dunkirk and its outpost Mardyke? Thurloe tells us that Cromwell "always much longed for" a footing on the continent.[6] From a document attributed to the same authority we learn that Cromwell was influenced by three reasons: in the first place, he would thereby secure himself from invasions on the part of Charles II and, at the same time, he himself would have a means of invading the continent, if he so desired; secondly, the possession of such a port would be "a bridle on

[1] Documents Inédits (ed. D'Avenel), VII, 127.

[2] Even at the time when this treaty was about to be concluded, hostilities between England and France on the sea continued. — *Ibid.*, VI, 40.

[3] Dumont, Corps universel diplomatique, vol. vi, part ii, p. 121.

[4] Guizot, Histoire de la Révolution d'Angleterre, IV, 597–605, prints the treaty *in extenso*; Dumont, vol. vi, part ii, p. 224, gives only an extract.

[5] A. Chéruel, Histoire de France sous le Ministère de Mazarin, III, 23.

[6] Thurloe, I, 761.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Dutch"; and finally, Dunkirk was essential to the safety of English trade, which was disturbed by the pirates from that town and from Ostend.[1] The possession of Dunkirk would be a veritable thorn in the side of the Dutch, as England, with men-of-war on both sides of the Channel, could absolutely control this highway of commerce.

More specific reasons for acquiring Dunkirk are given in a document called "The Benefitt to bee in aid of the Place."[2] Among the advantages to be gained, those of an economic character stand out prominently in this paper. It was argued that the place was very convenient for European trade and that its possession would give access to Germany, "without being more behoulding to the Hollanders." Besides, Dunkirk was said to be "the fittest place in Chrissendom for the stapell of cloath, for ther you will have that great benefitt of the customs which now the Hollanders have of that commoedite." And, finally, it was contended that Dunkirk was a place "much covetted for fishing" and one of the cheapest places for shipbuilding. The general line of economic thought was that the possession of some port or ports on the continent would be of immense value to England in her commercial rivalry with the Dutch.[3]

This alliance of Cromwell with France has been frequently criticised as a monstrous error, contributing to the greatness of France during the following years. It has been held that, instead of allying himself with France, Cromwell should have nipped the rising power of that country in the bud.[4] In order

[1] This document is in Stowe Mss. 185, pp. 187–200, and is reprinted by Bischoffshausen, Die Politik des Protectors Oliver Cromwell, Appendix, p. 187 *et seq.*; *cf.* also a different version, but the same idea, in Somers's Tracts, VI, 329–336, and in Bischoffshausen, *loc. cit.*

[2] Printed by Mr. Gardiner in *English Historical Review*, XI, 484–485.

[3] *Cf.* Ludlow, Memoirs, II, 96. Despite the treaty of peace of 1654, ill feeling existed, on account of the still unsettled fishery dispute and on account of the still frequent conflicts in the East. See Calendar of State Papers, Domestic Series, 1656–1657, pp. 53, 57.

[4] This criticism appears in Ludlow, Memoirs, II, 3, and in other contemporary writings, such as The World's Mistake in Oliver Cromwell (London, 1668), p. 3; Montague Burrows, History of the Foreign Policy of Great Britain, p. 24, has revived this criticism; Mr. Hassall, Social England, IV, 260, has ably refuted it.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to keep the balance of power in Europe, it is claimed, Cromwell should have joined forces with Spain in her contest with France. It is not necessary to answer this criticism in detail. Those who are responsible for it have overlooked the essential fact that, while France was to be in the eighteenth century England's great antagonist, the Dutch republic was England's great rival in the seventeenth century. While this alliance with France was specifically directed against Spain, in a deeper and truer sense it was aimed against the Dutch republic. According to Thurloe, one reason that induced Cromwell to enter into the French alliance was that he might depend upon France against the Dutch, who were then trying to treat with Spain in a manner hostile to English trade and commerce. In addition, Thurloe says: "This the Protector did see, being always jealous of that people."[1] The territorial advantages to accrue to England, while to be gained at Spain's expense, were to be used to the detriment of Dutch commerce.[2]

The Dutch were not pleased at the prospect of having England as a neighbor on the continent and exhibited a good deal of annoyance at the Anglo-French treaty.[3] In March, 1657, the English ambassador in France wrote to Thurloe that "the Hollanders ill inclinations toward England continue; they have undertaken the transport of the Spanish money from the Canaryes."[4] Spain made use of this feeling and endeavored to form an alliance with the Dutch, holding out as an inducement the prospect of free trade with the Spanish colonies.[5] In some quarters it was expected that the Dutch would openly ally themselves with Spain.[6]

At about the time that this alliance with France was consummated, France and the United Provinces were brought almost to the verge of war by De Ruyter's seizure of some French ships in the Mediterranean. France claimed that this

[1] Somers, Tracts, VI, 329–330; Bischoffshausen, Appendix, p. 197.

[2] A letter of Courtin to Bordeaux, February 2, 1657, mentions dread on the part of the Dutch that the Anglo-French alliance will molest their commerce. — Thurloe, VI, 105.

[3] *Ibid.*, VI, 100. [4] *Ibid.*, p. 87. [5] *Ibid.*, p. 25.

[6] Calendar of State Papers, Domestic Series, 1656–1657, p. 339.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

action of the Dutch admiral was unprovoked,[1] and the Dutch republic claimed that it was but a just act of reprisal.[2] It was expected that war would inevitably break out.[3]

The English ambassador in France, Lockhart, whom Clarendon has described as "a man of great address in treaty" and as one "who had a marvellous credit with the Cardinal,"[4] tried to avert the impending conflict between France and the United Provinces, in which it seemed inevitable that England must become involved.[5] He advised against a rupture with the Dutch as unseasonable. Lockhart was unquestionably acting on direct instructions from Cromwell in this matter,[6] and it is known that Cromwell approved of his conduct in the negotiations.[7]

The negotiations for enlisting Cromwell's support against the Dutch were, however, not carried on through Lockhart, but through the French ambassador in England, Bordeaux. Mazarin was confident that the English would, for commercial reasons, welcome a war between the French and the Dutch; and he adds: "Le Roy sera tres ayse que les Anglois fassent tout le commerce, et les favorisera pour cet effect."[8] In May, 1657, he wrote to Bordeaux that if war resulted, he should get a fleet from England; and at the same time, probably to excite Cromwell's anger, he pointed out the fact that the Dutch were helping the Spanish Plate fleet to escape the English men-of-war.[9]

In Dumont's collection there is printed a treaty between France and England, bearing date May 9, 1657.[10] This treaty was unquestionably never ratified,[11] and no record of it can be

[1] Documents Inédits, VII, 451, 458, 463.

[2] Lefèvre-Pontalis, John de Witt, I, 230; Chéruel, *op. cit.*, III, 58–59.

[3] Thurloe, VI, 42; Calendar of the Clarendon State Papers, III, 278, 287; Calendar State Papers, Domestic Series, 1656–1657, pp. 340–341, 352.

[4] Clarendon's History (ed. W. D. Macray), VI, 10.

[5] Thurloe, VI, 149–150.

[6] *Ibid.*, p. 181; *cf.* also p. 220.

[7] Calendar of the Clarendon State Papers, III, 270.

[8] Documents Inédits, VII, 452.

[9] *Ibid.*, p. 466; *cf.* also Thurloe, VI, 227, 262.

[10] Corps universel diplomatique, vol. vi, part ii, p. 178.

[11] Brienne, Mémoires, p. 150, says: "Ce fut à trois différentes fois qu'on s'accomoda avec ces insulaires," omitting all reference to this treaty, and referring properly only to the duly ratified treaties, November 3, 1655, March 23, 1657, and March 28, 1658.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

found in the English or in the French archives. It is not, however, purely apocryphal, as Guizot says,[1] but seems to have been some proposition for English help against the Dutch, made by Mazarin during his difficulty with the latter.

This document, which is entitled "Secretissimum inviolabile Foedus," after reciting the injury inflicted by De Ruyter on France, provides for a close offensive and defensive alliance of England and France against the Dutch. Cromwell was to furnish from thirty-six to forty vessels, and, in case of necessity, even a greater number, to attack the Dutch ships. For the war against Spain, Cromwell was also to furnish an army of at least 12,000 men. In return, Cromwell was to receive Ostend, Gravelines, Nieuwport and any other cities which were captured in the Spanish Netherlands. On the other hand, whatever Dutch cities might be captured were to be turned over to France. There were some other provisions in this unratified treaty referring to the Baltic difficulty, which we shall discuss later on.

From the material that is available, it is impossible to say what attitude Cromwell took towards this proposition. We know that the English ambassador in France had instructions to remain strictly neutral. But we also know that Cromwell's intention was to acquire more than one seaport town on the continent, and that his death alone interfered with this plan.[2] The idea of gaining the Flemish seaports was doubtless very attractive to Cromwell, and it seems probable that he considered Mazarin's proposition. The Dutch ambassador in England, Nieupoort, in June, 1657, wrote of the great naval preparations in England and added that he heard that Cromwell had "a great design in hand." But at the same time he wrote that Cromwell had assured him that there was no truth in the rumor that France was about to secure a number of ships in England.[3] Cromwell was, however, not entirely ingenuous in

[1] Guizot, *op. cit.*, IV, 367, n.

[2] Thurloe, I, 761; Bischoffshausen, *op. cit.*, Appendix, containing in parallel columns the three versions of Thurloe's account of English foreign affairs.

[3] Thurloe, VI, 302.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his diplomatic transactions. This rumor that Cromwell was about to aid France gained credence also in Paris, whence the Dutch ambassador there, Boreel, wrote that he had heard that Cromwell would no longer remain a friend to the United Provinces in case the Dutch broke with France.[1] Lockhart, not being informed of the negotiations carried on in England, categorically denied this.[2]

Whatever was the attitude taken by Cromwell, whether his neutrality was assumed or not, it is certain that, in case of war between France and the Dutch, it was expected in well-informed circles that England would aid France.[3] It is reported that English merchants in the United Provinces, in view of such an eventuality, had put their goods in the names of other people.[4] And we also know that the Duke of York went to The Hague, "hoping that if there be a breach betwixt the English and Dutch, he may have a squadron."[5] Mazarin certainly expected England to side with him.[6] In May, 1657, he wrote to the French ambassador in the United Provinces:

Nous prenons nos mesures pour armer, dans trois semaines ou un mois, quarante vaisseaux de guerre en Angleterre, et l'on en armera en France. . . . Et, à propos de commerce, j'adjousteray que l'on n'aura pas grande peine, la rupture arrivant, de mettre les Anglois et ceux de Hambourg en possession de tout le commerce que faisoient les Hollandois; ce que me faict juger que les Anglois mesmes au lieu de travailler a l'accomodement, pourroient bien, sous main, travailler a la rupture.[7]

[1] Thurloe, VI, 273.

[2] In May, 1657, Thurloe wrote to Henry Cromwell that both sides offered to make Cromwell the judge between them (Thurloe, VI, 261). In the same month, a little later, Lockhart wrote that Mazarin complained that he had heard that Cromwell would intervene in favor of the Dutch and also that the Dutch ambassador complained that he had heard that Cromwell would aid France. Lockhart says: "I did to each of them clear myself of both these aspersions" (Thurloe, VI, 287–288). On May 21 Lockhart wrote that Mazarin desired Cromwell's mediation in the Dutch difficulty (Thurloe, VI, 298).

[3] Calendar of State Papers, Domestic Series, 1656–1657, p. 382.

[4] Thurloe, VI, 247.

[5] Calendar Clarendon State Papers, III, 299.

[6] Documents Inédits, VII, 451.

[7] *Ibid.*, VII, 462 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The necessity for Cromwell's coming to a decision fell away, however, as the Dutch and French, thanks to the ability of De Thou, settled their grievances pacifically.[1]

To return now to the treaty of alliance of March 23, 1657. This treaty had been concluded for only a year and was renewed again a year later, March 23, 1658.[2] The net result of the military operations provided for in these treaties was, so far as England was concerned, that Dunkirk and its outpost Mardyke became English possessions. England had become again, as in the days before Mary, a continental power. The possession of Dunkirk was of great economic importance and was a menace to Dutch economic supremacy. As such, it was not viewed with satisfaction by the Dutch, who gave free vent to their disapproval at England's gaining this seaport. At one time it seemed as if, in consequence thereof, the Dutch might even join Spain in its war against England and France.[3] The prospect of a war with the Dutch did not deter Cromwell from pursuing his ends. As already stated, at the time of his death he was negotiating with France with a view to acquiring other Flemish seaports.[4] His plan was the comprehensive one of making the entire seacoast of the Spanish Netherlands English territory.

[1] Documents Inédits, VIII, 14; Pontalis, *op. cit.*, I, 231.

[2] Documents Inédits, VIII, Introd., p. ii *et seq.*, and p. 329, n.; Dumont, vol. vi, part ii, p. 224, prints only an extract.

[3] On May 21, 1658, Mazarin wrote to Bordeaux: "Pour ce que est des vingt-quatre vaisseaux que les Hollandois ont armez, le soupçon de S. Alt. [Oliver Cromwell] n'est pas mal fondé. J'ay envoyé, la nuit passée, un gentilhomme à Mardick pour advertir M. l'ambassadeur Lockhart que M. le comte de Brienne me mande de Paris que le fils de l'ambassadeur de Hollande l'estoit allé trouver pour luy dire que MM. les Estats luy avoient donné ordre de faire scavoir au Roy qu'ils ne verroyent pas avec plaisir les conquestes que les armes de Sa Mté. pourroyent faire du costé de la mer conjointement avec les Anglois et pour les partages avec L'Angleterre, adjoustant d'autres discours qui ont faict soupçonner à M. de Brienne que leur intention seroit de l'empescher, s'ils pouvoyent; mais, pour moy, je ne les croy pas si hardis que d'ozer declarer la guerre à ce royaume et à M. le Protecteur tout à la fois."—Documents Inédits, VIII, 365–366.

[4] *Cf.*, in addition to the authorities cited above, The World's Mistake in Oliver Cromwell (London, 1668), p. 4. This pamphlet is reprinted in the Harleian Misc., VII, 347. On the authorship of this pamphlet, see Guernsey Jones, The Diplomatic Relations between Cromwell and Charles X, Appendix.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This Dutch opposition to Cromwell's plans is the salient fact in the history of the last years of Cromwell's life.[1] Whitelocke recognized this clearly, when he said that most of the Dutch "were Enemies in heart to the Protector, and did but watch for an occasion to show it."[2] Their opposition was manifested not only towards the Anglo-French alliance, but also towards Cromwell's Baltic policy. In one of his last speeches Cromwell treats of his attitude towards the Dutch, who, as he insinuates, prefer profit to godliness. He accused the Dutch of being ungrateful for the assistance rendered them by Elizabeth and claimed that they had hired ships to bring over a Royalist army to England. Especially did he complain of Dutch intrigues in the Baltic, the source of naval stores so essential to the shipping interests of England.[3]

To understand what was happening in the North, we must retrace our steps. Shortly after the conclusion of the commercial treaty with England in 1655, Christina of Sweden abdicated. Her successor, Charles Gustavus, had inherited the martial ardor and ambitious plans of Gustavus Adolphus. His design was to make the Baltic a Swedish lake. These plans brought him into conflict with Poland, Brandenburg, Denmark and also with the Dutch.[4] For the successful accomplishment of his purpose he thought that he required English assistance; and, with this object in view, various embassies were sent to England. What Charles X failed to realize was that England, as little as the Dutch republic, could afford to see the Swedes supreme in the Baltic.[5] Her policy was not to allow the source of her naval stores to come absolutely under the control of one great power. Hence, the vague commercial privileges which Sweden offered in return for Cromwell's assistance were rejected.[6] Sweden's proposition practically amounted to an

[1] *Cf.* Bischoffshausen, *op. cit.*, p. 25; Firth, Cromwell, pp. 372, 373.

[2] Whitelocke, Memorials, p. 627. [3] Carlyle, *op. cit.*, III, 277.

[4] Gardiner, Commonwealth and Protectorate, III, 426–436.

[5] Cromwell, says Thurloe, would not permit that "the Swede should conquer the Dane and possess all those countryes and, being truly become powerfull, engross the whole trade of the Baltique Sea." — Bischoffshausen, *op. cit.*, Appendix, p. 215. [6] G. Jones, *op. cit.*, p. 24; *cf.* Masson, Milton, V, 246, 270.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

offer of alliance against the Dutch. Cromwell, on his part, proposed a general alliance of all the Protestant powers of Europe, including the Dutch, against both branches of the house of Hapsburg.[1] This proposal did not meet with Charles X's approval; he was opposed to Cromwell's vague plan for a general Protestant alliance, and especially to the inclusion of the Dutch therein.[2] Of these long-drawn-out negotiations[3] in the years 1655 and 1656 nothing resulted but the unimportant commercial treaty of 1656.[4]

During the course of the following year, as Sweden's position in the Polish war became more difficult, Denmark determined to attack its ancient rival. In this, Denmark was supported by the Dutch, who expected to gain from Danish preponderance in the Baltic especial privileges for their commerce. Cromwell realized this and sent Meadowe as ambassador to Denmark, with the mission of bringing to an end the war between Sweden and Denmark. He was to point out

> how much the freedom of Navigation and Commerce in the Baltic would be impeached thereby, to the prejudice of the Neighbouring Nations, but of none more than England, as continually fetching naval stores from those countries.[5]

At the same time Jephson was sent to Sweden. In his secret instructions he was told to ask for the temporary possession of Bremen, which then belonged to Sweden, as security for any assistance to be given by Cromwell.[6] Bremen would have been

[1] Whitelocke, Memorials, p. 624. In April, 1656, Cromwell said "that he was willing, in case of a nearer Alliance or of an Union concerning the Protestant Interest, to have Our Neighbors and Allies, the Low-Countries, included therein; and that he thought it did become him to have a particular care of them, and to take them into such a Treaty or Alliance; and that he was not willing to do any such thing without them." [2] Whitelocke, Memorials, pp. 619, 620, 621.

[3] During the course of these negotiations some interesting questions were raised as to what constituted contraband of war, and as to the rights of neutral ships and of neutral goods in times of war. See *ibid.*, pp. 621, 626–633.

[4] Dumont, *op. cit.*, vol. vi, part ii, pp. 125–127.

[5] Sir Philip Meadowe, A Narrative of the Principal Actions occurring in the Wars betwixt Sweden and Denmark (London, 1677), p. 17.

[6] Thurloe, VI, 479. Instructions of August 22, 1657. On a previous occasion also Cromwell had asked for possession of Bremen as a guaranty; see G. Jones, *op. cit.*, pp. 49–50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of enormous value to English commerce, and Cromwell's selection of this city is significant. Though only temporary possession was asked, Cromwell probably reasoned that it could easily become permanent. For the present, however, nothing came of this attempt at mediation, as neither Sweden nor Denmark was anxious for peace.[1]

At about the same time as this embassy of Meadowe, the Swedish ambassador in England proposed an alliance of Sweden and England against Denmark. Sweden, in order to restore the balance of power in the Sound, was to resume possession of its ancient provinces on the Scandinavian side of the Sound, which was then held by Denmark.[2] In return, Cromwell was offered various German territories, such as Oldenburg and Münster; or, if he did not care to gain a foothold in Germany, he could have had some Danish land.[3] Similar proposals were made later, even Bremen being offered to Cromwell.[4]

In the unratified treaty between England and France of May 9, 1657,[5] there are several clauses bearing on the Baltic question. France and England agreed to assist Sweden in its war against Denmark, and with this object in view Cromwell was to capture the forts controlling the entrance to the Baltic. Whatever territory was acquired, either at the expense of Denmark or at that of any other country, was to be disposed of by Cromwell as he thought best, provided that English vessels might have no advantage over those of France in going through the Sound. It was to some plan such as this that the author of *The World's Mistake in Oliver Cromwell*, an attack on Cromwell published in 1668, referred when he said: "I am not ignorant that this error is excused, by pretending that we were to have had Elsinore and Cronenburge Castle, . . . by which we should have been Masters of the Sound, and consequently of the Baltick."

[1] G. Jones, *op. cit.*, p. 53. [2] *Ibid.*, p. 55.
[3] *Ibid.*, p. 57.
[4] *Ibid.*, pp. 59, 66–67.
[5] Dumont, vol. vi, part ii, p. 178, clauses xiii–xviii.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We do not know exactly what attitude Cromwell took toward these propositions. It seems probable that his plan was to take advantage of Sweden's difficulties and to gain either Bremen or the control of the Sound forts. Nothing came of these plans, from the fact that Sweden, contrary to all expectations, did not need foreign aid. Notwithstanding the fact that Poland, Brandenburg, the German emperor, Denmark and the Dutch were arrayed against him, Charles Gustavus emerged victor in the conflict. Denmark was overrun and was completely at his mercy. Cromwell, though friendly to Sweden, did not wish matters to go too far; he could not allow Sweden to become absolutely mistress in the Baltic. Hence, in conjunction with France, he intervened and brought about the peace of Roeskilde, February, 1658.

The English mediator took an active part in the negotiations leading up to the treaty, preventing Sweden from asking too much and seeing to it that nothing was done prejudicial to the interests of England. He especially objected to the proposition to join Norway to Sweden, because it would give Sweden the sole possession of the source of naval stores, — "too great a Treasure," as he said, "to be entrusted in one hand." [1] The chief provision of the final treaty was that giving Sweden possession of the Danish provinces on the Scandinavian side of the Sound.[2] "By this means," as Meadowe says, "the Swede is become Master of one Bank of the Sound as the Dane is of the other." [3] This treaty was of immense importance to England. It secured the neutrality of the Baltic. No longer was the entrance to this sea, one of the chief commercial arteries, under the control of a single power, and that one in close alliance with England's most bitter rival, the United Provinces. With Sweden in control of one side of the Sound, England's commerce in the Baltic was apparently safe.

[1] Meadowe, *op. cit.*, p. 58. *Cf.* also some correspondence of Thurloe and Meadowe, ed. by Edward Jenks, *English Historical Review*, VII, 720–742.

[2] "Sueciae Regibus ac Regnis cedantur Provinciae Halland, Scania, Blekingia, Bomholmia." Halland had, however, been in Swedish possession since the treaty of Bromsebro, 1644. — Meadowe, pp. 3–4; Jones, p. 19.

[3] Meadowe, p. 60.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IV. *The Regulation of Colonial Commerce.*

The general effect of the Civil War on the English colonies in America was to lessen their dependence on the mother country. This was true of Puritan New England, of Royalist Barbadoes and of Virginia, with its mixed population. After the execution of Charles I, Barbadoes rose in open insurrection,[1] while Virginia passed an act declaring the execution and trial to be treason and proclaiming Charles II as legitimate king.[2] The course of events in some of the lesser West-Indian islands was similar. Parliament's answer to this insurrectionary spirit was the act of October, 1650.[3] This act contains two important provisions, differing greatly in scope and character. By the first of these provisions, all who had been guilty of the acts of rebellion mentioned above in Virginia, Barbadoes, Antigua and Bermuda were declared traitors and were forbidden to have any commercial relations with any other people whatsoever. This provision in the act of 1650 was purely punitive and political in character. By the second provision of this act, ships of any foreign nation were forbidden "to come to, or Trade in, or Traffique" with any of the English colonies in America, unless a special license to do so had been first obtained from Parliament or the Council of State. It is stated in the act that this second provision was to prevent enemies of the new government in England from being brought to the English colonies, as had happened, for instance, in Barbadoes. On its face, therefore, it would seem that this provision was also political in character. As a matter of fact, it was a commercial act, securing, on the pretense of political safety, a monopoly of the trade with all the American colonies to English ships. The importance of this provision has been overlooked by a number of historians, who have regarded the act as purely punitive[4] and temporary[5] in

[1] Calendar of State Papers, Colonial Series, 1584–1660, pp. 342, 343, 350, 390.
[2] Hening, I, 359–361.
[3] Scobell, II, 132–134.
[4] Bruce, Economic History of Virginia, I, 349.
[5] Ugo Rabbeno, The American Commercial Policy, p. 13.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

character. Even Mr. Firth is guilty of this oversight. Ignoring the act of 1650 entirely, he says that the Navigation Act of 1651 "was the first attempt on the part of England to legislate for the colonies as a whole, and to treat them as integral parts of one political system."[1] What Mr. Firth says of the act of 1651 is true of the act of 1650. The Navigation Act proper of 1651 merely provided that, under certain conditions, goods might be imported only in English or colonial vessels. Goods could be exported in foreign vessels, if they had come there in ballast, and under certain conditions foreign vessels could trade with the colonies. On the other hand, the act of 1650 was much broader in scope. It absolutely prohibited foreign vessels from trading with the colonies; hence nothing could be either imported or exported in such vessels. It is true that it was stated in the act that the Council of State or Parliament might give licenses to trade contrary to its provisions. But from the evidence available we know that very few licenses[2] were granted; and, besides, the system in itself was too cumbersome to mitigate the act in practice. What England wanted by this act was a monopoly of trade with her colonies. This will be apparent from what follows.

In order to reduce the rebellious colonies to subjection, a fleet had been sent out under Sir George Ayscue. At Barbadoes it was found that trade with the Dutch was very freely practiced, and a number of Dutch vessels there were seized, in accordance with the act of 1650.[3] Barbadoes surrendered to this expedition, and in the articles of surrender it was provided that the island was "to have as great freedom of trade as ever."[4] The smaller West-Indian islands quickly followed the example in surrendering.[5] Virginia had protested vigorously against the act of 1650, claiming that it was due to the

[1] Firth, Cromwell, pp. 392–393.

[2] For a license to trade contrary to this act, see Calendar of State Papers, Colonial Series, 1584–1660, p. 356.

[3] Whitelocke, Memorials, p. 498.

[4] Calendar of State Papers, Colonial Series, 1675–1676, Addenda, 1574–1674, pp. 85–86.

[5] Gardiner, Commonwealth and Protectorate, II, 77–78.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"avarice of a few interested persons, who endeavour to rob us of all we sweat and labour for."[1] This colony, however, likewise soon submitted to Parliament; and in the articles of surrender it was provided, as in the case of Barbadoes, that "the people of Virginia have free trade as the people of England do enjoy to all places and with all nations."[2] This provision in the articles of surrender freed the colonists from the first provision of the act of 1650. It allowed them to trade with all nations. It did not, however, as was contended by Virginia,[3] allow foreign ships to trade with them. This contention about the articles of surrender was also raised subsequently by the Dutch ambassador in England. The expedition that sailed to attack the Spanish power in the West Indies had stopped on its way at Barbadoes and had seized a number of Dutch vessels found trading there.[4] Nieupoort protested, claiming that the act of 1650 was only a punitive measure and that the articles of surrender did not do away with this act. He was answered that by an act of Parliament such commerce was forbidden.[5]

England's monopoly of trade with her colonies received also the sanction of international recognition. When Whitelocke was ambassador in Sweden this subject was discussed very frequently and, at that time, Sweden tried to have the act of 1650 modified.[6] In the treaty of 1654 between Sweden and England nothing is mentioned about this monopoly; but in the treaty of 1656 it is specifically stated that, despite the fact that commerce with the English colonies in America is prohibited to foreigners, Cromwell would grant licenses to those Swedes who should ask him privately, provided they had letters of recommendation from the King of Sweden.[7] This English monopoly is likewise specifically recognized in the treaty of peace between England and Denmark in 1654.[8]

[1] *Virginia Historical Magazine*, I, 81.

[2] Hening, I, 364. [3] *Ibid.*, pp. 559–601.

[4] Thurloe, III, 158, 254; Venables, Narrative (ed. Firth), p. 10.

[5] Thurloe, III, 749. See also Nieupoort's other letters about this, *Ibid.*, IV, 17, 214, 258–259.

[6] Whitelocke, Journal, II, 21, 30, 50, 102.

[7] Dumont, vol. vi, part ii, pp. 125–127. [8] *Ibid.*, p. 92, art. iii.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We have other evidence that Cromwell considered that the act of 1650, in so far as it prohibited foreign vessels from trading with the colonies, had not been affected by the articles of surrender of Virginia and Barbadoes. The commander of the squadron in American waters in 1655 was specifically instructed to seize all ships trading contrary to the act of 1650.[1] Another naval officer had received similar instructions.[2] In Barbadoes some Dutch vessels had been seized trading, as a contemporary writes, in opposition to the statutes of October 3, 1650, and October 9, 1651.[3]

It is difficult to say to what extent this act of 1650 was enforced.[4] The age was, in comparison to ours, a lawless one, especially on the sea. The colonies, chiefly Barbadoes and Virginia, found it to their advantage to ship in Dutch vessels on account of the cheaper freight rates. The act was a severe burden on them, and they had a strong inducement to violate it. Virginia, in her protest against the stoppage of Dutch trade, admitted that there was some violation of the act.[5] In Barbadoes a jury found for the foreigners, in the case of the seizure of some vessels trading contrary to the acts of 1650 and 1651.[6] In this colony there was "an especial fondness" for trade with the Dutch.[7] According to Hutchinson, the acts were not enforced in Massachusetts.[8] On the other hand, we hear of the seizure of a great number of vessels that had violated the act.[9] The general impression given by the evidence is that the act was enforced to the extent that the imperfect control of England over her colonies allowed, and that English men-of-war invariably enforced the law when they saw it violated.

[1] Calendar of State Papers, Colonial Series, 1675–1676, p. 99.

[2] Thurloe, III, 754. See also letter of Modyford, mentioning the seizure of two Dutch vessels trading contrary to this act. — Thurloe, III, 565.

[3] *Ibid.*, III, 249.

[4] Beer, Commercial Policy of England, pp. 32–34.

[5] Thurloe, V, 80. [6] *Ibid.*, III, 249. [7] *Ibid.*, III, 142, 249.

[8] Hutchinson, History of Massachusetts, I, 174.

[9] Hening, I, 382; Calendar of State Papers, Colonial Series, 1584–1660, pp. 364, 467; Thurloe, III, 158, 565, 754; Calendar of State Papers, Colonial Series, 1675–1676, pp. 94–95.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The act of 1650 was the first piece of legislation affecting the colonies as a whole. It forms the bridge linking the haphazard individual policy of James I and Charles I with the well-rounded and complete colonial system developed under the later Stuarts. It was the only important colonial regulation that dates from these years. In minor ways, however, colonial commerce was encouraged. The Stuart prohibition[1] of growing tobacco in England, in order to give colonial tobacco a monopoly of the market, was continued.[2] For the encouragement of colonial sugar and ginger these articles were given a preferential duty over foreign products.[3] Then the export tax on geldings sent to the colonies was reduced.[4] In order to develop Jamaica, the export duty was at one time remitted on a quantity of articles.[5] A beginning was also made of the policy of developing naval stores in the colonies,[6] which, at a subsequent date, became very comprehensive in application.[7] In the internal affairs of the colonies Cromwell practically did not interfere at all.[8]

The influence of Cromwell on the destinies of the East India Company was, as its latest historian has ably shown, of great importance. Under Cromwell, Hunter says, "the corporation passed, with little recognition of the change at the time, from its mediæval to its modern basis."[9] "Cromwell viewed the India trade from a national standpoint," he adds, "and regarded the Company as one of the several alternative methods

[1] Beer, *op. cit.*, p. 26.

[2] Scobell, II (April 1, 1652), 187, 238; Whitelocke, Memorials, p. 570. See also petition of planters of English tobacco, in Calendar of State Papers, Domestic Series, 1656–1657, p. 5. [3] Scobell, II, 387. [4] *Ibid.*, p. 375.

[5] Calendar of State Papers, Domestic Series, 1656–1657, p. 6.

[6] *Ibid.*, Colonial Series, 1675–1676, p. 87.

[7] Lord, Industrial Experiments in the British Colonies; Beer, *op. cit.*, pp. 91–103.

[8] See Cromwell's letters on the boundary disputes between Virginia and Maryland, Carlyle, *op. cit.*, letters 196 and 203. Prowse, the historian of Newfoundland, says: "Even in our Island, the sagacious statesmanship and firm strong hand of Cromwell made itself felt." History of Newfoundland, p. 159. *Cf.* also pp. 160–164. Lord Willoughby's small colony in Surinam was, as Mr. Lucas says, "left very much to itself" (Historical Geography, II, 272).

[9] Hunter, India, II, 102, 103.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for conducting it . . .; throughout he had the interest not of the Company, but of the nation in mind."[1] Yet this decisive influence of Cromwell on the history of the East India Company has, as Hunter points out, been in general ignored by historians.[2]

We have already seen that one of the causes of the Dutch war was the conflict of the two rival nations in the East, and also that the peace of 1654 gave the English Company some reparation for the injuries it had suffered at the hands of the Dutch. The efforts of the English Company after 1654 were primarily devoted to strengthening its position at home, by securing a new charter and by obtaining an absolute monopoly of English trade with the East Indies. There was a strong feeling in England that the trade to India should be open and free to all merchants. Even the merchants within the company clamored for the privilege of trading as individuals.[3] This matter was discussed at length by the government, as a matter of great national importance.[4] Cromwell took a long time to decide the question, and at one time he seemed to incline to the view of those demanding a less rigid monopoly. He allowed a number of merchants to trade privately to India[5]; and, in consequence thereof, it was expected both at home and in the United Provinces that the East India Company would be dissolved and that the Indian trade would be thrown open to the whole nation.[6] These licenses were, however, only tentative, and the final conclusion reached by Cromwell and the Council of State was in favor of the company. It was decided that the trade of India should not be thrown open to the whole nation and also that the members of the company could not trade as individuals. The East India Company, reorganized on a joint-stock basis, was to have the exclusive monopoly of the trade.

[1] Hunter, India, II, 107.

[2] From Hunter's sweeping criticism, the admirable sketch of Sir Alfred Lyall should be excepted. *Cf.* The Rise of the British Dominion in India, p. 20.

[3] Bruce, Annals, I, 492.

[4] *Ibid.*, II, 502.

[5] *Ibid.*, I, 508; Hunter, II, 121.

[6] Bruce, I, 509; Thurloe, III, 80.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The East India Company had been originally organized on the basis of subscriptions for a single joint voyage, the profits of which were to be divided among the subscribers. This system, whose weaknesses are patent, was soon changed to the system of subscriptions to a series of joint voyages for a number of years. Thus, there was no continuity in the life of the company; it was merely an association, or what modern finance would call a syndicate, having in hand commercial operations extending over a limited number of years. The inevitable breakdown of this system led to the demand for a less rigid monopoly of the East India trade mentioned above.

In 1656 the company petitioned for a renewal of its charter, with additional privileges. This petition Cromwell personally referred to the Council of State.[1] The committee to whom this matter was handed over reported in favor of a united joint stock, which report was adopted by the Council and by Cromwell.[2] A new charter[3] was granted in 1657, under which the East India Company became a corporation whose existence was continuous. The capital was subscribed, not for one voyage or for a series of voyages, but practically in perpetuity; and the company, under this charter, assumed its modern character. Of Cromwell's connection with this, Hunter says:

> He found the English in the East struggling, humiliated, in despair. He left them with their future assured. He was the first ruler of England who realized that the India trade was no private preserve of the sovereign and his nominees, but a concern of the nation, to be maintained by national diplomacy and defended by the national arms.[4]

V. *Summary and Criticism.*

Under Cromwell there was a sudden expansion of English maritime power and a vast extension of its usefulness to the nation. From this period date the permanent Mediterranean and West-Indian squadrons and the naval station in North

[1] Bruce, I, 504.
[2] Calendar of State Papers, Domestic Series, 1656–1657, p. 272; Bruce, I, 516.
[3] Bruce, I, 529; Macpherson, European Commerce with India, p. 124.
[4] Hunter, II, 141.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America.[1] The conscious development of the English naval power was primarily due to political causes — to the transference of the scene of the Civil War from the land to the sea. But this enormous increase in sea power was in itself of great benefit to English commerce. Sea power was, at that time, an essential prerequisite to successful international trade; for armed commerce was not the exception, but the rule. We have already seen how this navy was used against the United Provinces, France, Spain and Portugal to secure England's economic development. It was also used to great effect against that scourge of seventeenth-century commerce, the pirates from Dunkirk and Ostend[2] and from the Mohammedan states on the southern shore of the Mediterranean. These corsairs had been left practically unmolested by the other powers,[3] and it remained for Cromwell to take energetic measures to protect English commerce from them. They carried on their operations on a large scale, and at one time even "held command of the channel."[4] Cromwell put a stop to this outrageous state of affairs and freed English commerce for the time being from this incubus.[5]

Cromwell was essentially the child of his times — the product of a curious blending of commercial shrewdness and religious zeal. Mr. Gardiner has aptly called him the most typical Englishman; yet he is, perhaps in a truer sense, the most typical Yankee. Despite the religious symbolism and phraseology which burden his speeches, his mind was a very practical one. His son was not to be brought up on theology. "I would have him mind and understand Business, read a little History, study the Mathematics and Cosmography," writes Cromwell.[6] In matters of trade he took a keen and lively interest.[7] In addition to the various enterprises described above, Cromwell had

[1] M. Oppenheim, "The Navy of the Commonwealth," *English Historical Review*, XI, 20. [2] Thurloe, I, 117. [3] Montagu Burrows, *op. cit.*, p. 27.

[4] M. Oppenheim, "Royal Navy under Charles I," *English Historical Review*, IX, 113–114.

[5] Calendar of State Papers, Domestic Series, 1656–1657, pp. 49, 129; Carlyle, pp. 68–69; Firth, Cromwell, pp. 377–378; Gardiner, Commonwealth and Protectorate, III, 376–386. [6] Carlyle, I, 397. [7] Whitelocke, Memorials, pp. 617–618.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in mind at one time the capture of Gibraltar. "If possessed and made tenable by us," he asks, "would it not be both an advantage to our trade and an annoyance to the Spaniards?"[1] Then Cromwell's advocacy of the legal return of the Jews to England was based primarily on commercial grounds.[2]

The initial difficulty that confronts us in criticising Cromwell's policy is the shortness of the period during which he had complete control of affairs — five years. His death left his plans uncompleted and the Restoration meant, in many respects, a change in policy. Yet Cromwell's policy was not so ephemeral as Seeley considers it. The only important reversal of his policy was the retrocession of Dunkirk to France by Charles II. Cromwell's scheme of making England a continental power came to nothing. Yet it cannot be said that his plan was erroneous in conception. It is true, it was not taken up by subsequent statesmen; but this proves nothing, as the accession of William III to the throne of England did away with the necessity thereof. The Revolution of 1688 marks the sacrifice of the United Provinces, as a naval and expanding colonial power, to England. In the long war carried on against France by England and the United Provinces under William III, England did everything to foster the development of her colonial and sea power; while the Dutch bore the brunt of the land war and their navy was allowed to decline. When finally peace was declared, the United Provinces received merely a rectification of their frontier; while England not only gained commercial privileges from France and Spain, but also added to her empire many valuable possessions, amongst which were Gibraltar and Nova Scotia.[3]

A marked characteristic of Cromwell is his intense patriotism and pride of race. In his speech before Parliament in 1657, he said:

Truly, I shall in a word or two congratulate you with good you are in possession of, and in some respect I also with you. God hath

[1] Carlyle, III, 100; *cf.* also p. 113. See also Montague's answer to this proposition, Thurloe, V, 67–70.

[2] Lucien Wolf, Menasseh Ben Israel's Mission to Oliver Cromwell.

[3] *Cf.* Mahan, *op. cit.*, pp. 61–62.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bestowed upon you, and you are in possession of it, — Three Nations, and all that appertains to them. . . . This is furnished — give me leave to say, for I believe it is true, — with the best People in the world, possessing so much soil. . . . And in this People, in the midst of this People, "you have what is still more precious" a People . . . that are to God "as the apple of His Eye." . . . A People of the blessing of God; a People under His safety and protection.[1]

His overweening pride of race induced the belief that naught but success could befall any efforts of England. This explains his utter disregard of the sensibilities and rights of other states. Cromwell made England the most powerful state of his time, but also the state that was most disliked. "His friendship," as Clarendon says, "was current at the value he put upon it" and "it was hard to discover which feared him most, France, Spain or the Low Countries."[2] This chauvinism made him also prone to underestimate the amount of opposition he was bound to encounter and led to that recklessness which is characteristic of his policy. The West-Indian scheme was conceived on broad lines, but the expedition was handicapped at the outset by hopelessly inadequate equipment. Cromwell's plans were very far reaching, yet it is questionable if they were not too far reaching, as it is probable that they would have bankrupted England. As Mr. Gardiner says, "he was attempting the hopeless task of supporting a policy of the eighteenth century on the finances of the seventeenth."[3]

A fundamental characteristic of English colonization is the fact that it has been due, in the main, to private initiative.[4] The development of the English empire has been a healthy, natural growth, each acquisition of new territory having become inevitable through economic conditions. The preëxistence of valuable interests has forced the government, usually against

[1] Carlyle, III, 164–167.

[2] Clarendon, History (ed. W. D. Macray), VI, 94.

[3] Gardiner, *English Historical Review*, XI, 160; Cromwell's Place in History, p. 101.

[4] Bonnassieux, Les Grandes Compagnies de Commerce, p. 167, contrasts this development with the diametrically opposed French conditions.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

its will, to add to its colonies. Napoleon could not understand why the English had derived so little benefit from their long and finally victorious contest with him. He said that "probably for a thousand years such another opportunity of aggrandizing England will not occur. In the position of affairs nothing could have been refused to you." And he added: "It was ridiculous to leave Batavia to the Dutch, and Bourbon and Pondicherry to the French." "Your ministers, too," he said, "should have stipulated for a commercial monopoly in the seas of India and China. You ought not to have allowed the French or any other nation to put their nose beyond the Cape." [1] In a word, the policy of the government has always lagged behind the needs of the mercantile classes. The English government has almost uniformly represented the conservative spirit in expansion.

The chief exception to this normal development of the British empire is found in the Cromwellian epoch. At that time the colonial policy was far in advance of the desires of the English people and of the needs of commerce. The attack on the Spanish power in America found extreme disfavor in English commercial centres. Cromwell's plans were in advance of his times and were prophetic of future developments. His policy was un-English, so far as he did not allow the commercial to precede the colonial development, but tried to reverse the order.

Cromwell's influence on the expansion of the English state has been recognized, to a certain extent, by various writers. Carlyle, in eloquent words, attributes England's "West-Indian Interest" to Cromwell's spirit of determination.[2] Goldwin Smith calls him the "father of our naval greatness." [3] Seeley, while denying to Cromwell the merit of deliberate policy, says his fabric "revealed for the first time the large possibilities of our state. It is a first sketch of the British Empire." [4] The

[1] Rosebery, Napoleon, pp. 195–196. On the attitude of the English government at this time, see H. E. Egerton, Sir Stamford Raffles.

[2] Carlyle, III, 85.

[3] Three English Statesmen, p. 99.

[4] British Policy, II, 63.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

most recent and the most brilliant of Cromwell's biographers, John Morley, has no sympathy with the view that depicts Cromwell "as the conscious author of a great system of colonial expansion." He concedes that such ideas were then alive, but maintains that "Cromwell's colonial policy was that of his predecessors, as it was that of the statesmen who followed him."[1] This view seems wholly untenable. It is not claimed that the ideas that he embodied originated with him, and that the British empire is the work of one man. The growth of this great empire has been the outcome of social forces, and in this it differs from no other historical phenomenon. The rôle of the great man in history is to recognize the tendency of events and to use the power intrusted to him in quickening the development towards the inevitable goal, though it be but dimly perceived. It is only in this sense that the name of any man can be connected with a great historic movement. Cromwell is worthy of a position in that small group of illustrious men who are in this manner identified with the growth of the British empire. His time was not wasted, as most writers suppose, in fighting a windmill such as the imaginary Anti-Protestant Alliance of all Catholic Europe. A great part of his time and energy was devoted to furthering the expansion of England's commercial and colonial empire.

GEORGE LOUIS BEER.

NEW YORK CITY.

[1] John Morley, Cromwell, pp. 447–448.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ECONOMIC INTERPRETATION OF HISTORY. II.

V.

IN the preceding sections we have studied the genesis and the early formulation of the doctrine of historical materialism. Before proceeding to discuss its applications, it may be well to obviate some misunderstanding by directing attention to what might be called, not so much the modifications, as the further elaboration, of the theory.

In saying that the modes of production condition all social life, Marx sometimes leads us to believe that he refers only to the purely technical or technological modes of production. There are, however, abundant indications in his writings to show that he really had in mind the conditions of production in general.[1] This becomes especially important in discussing the earlier stages of civilization, where great changes occurred in the general relations of production, without much specific alteration in the technical processes. The younger Marxists have devoted much time and ability to the elucidation of this point.

In the first place, even though it is claimed that changes in technique are the causes of social progress, we must be careful not to take too narrow a view of the term. The adherents of the theory point out that, when we speak of technique in social life, we must include not only the technical processes of extracting the raw material and of fashioning it into a finished product, but also the technique of trade and transportation, the technical methods of business in general and the technical processes by which the finished product is distributed to the

[1] The criticisms of Masaryk, Die philosophischen und sociologischen Grundlagen des Marxismus (1899), pp. 99–100, and of Weisengrün, Der Marxismus und das Wesen der sozialen Frage (1900), p. 86, on this point are without foundation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

final consumer. Marx intimated this repeatedly, and Engels has stated it clearly in a letter, in which he sums up the ideas for which he and Marx contended:

> We understand by the economic relations, which we regard as the determining basis of the history of society, the methods by which the members of a given society produce their means of support and exchange the products among each other, so far as the division of labor exists. The whole technique of production and of transportation is thus included. Furthermore, this technique, according to our view, determines the methods of exchange, the distribution of products and, hence, after the dissolution of gentile society, the division of society into classes, the relations of personal control and subjection, and thus the existence of the state, of politics, of law, *etc.* . . . Although technique is mainly dependent on the condition of science, it is still more true that science depends on the condition and needs of technique. A technical want felt by society is more of an impetus to science than ten universities.[1]

The term technical must thus be broadened to include the whole series of relations between production and consumption. It is for this reason that we speak not so much of the technical interpretation of history — which would lead to misunderstanding — as of the economic interpretation of history.

The originators of the theory, moreover, go still further. When they speak of the materialistic or economic conception of history, they not only refuse to identify "economic" with "technical" in the narrow sense, but they do not even mean to

[1] "Unter den ökonomischen Verhältnissen, die wir als bestimmende Basis der Geschichte der Gesellschaft ansehen, verstehen wir die Art und Weise, worin die Menschen einer bestimmten Gesellschaft ihren Lebensunterhalt produzieren und die Produkte untereinander austauschen (soweit Teilung der Arbeit besteht). Also die gesammte Technik der Produktion und des Transports ist da einbegriffen. Diese Technik bestimmt nach unserer Auffassung auch die Art und Weise des Austausches, weiterhin die Verteilung der Produkte und damit, nach der Auflösung der Gentilgesellschaft, auch die Einteilung der Klassen, damit die Herrschafts- und Knechtschaftsverhältnisse, damit Staat, Politik, Recht, *etc.* Wenn die Technik, wie sie sagen, ja grösstenteils vom Stande der Wissenschaft abhängig ist, so noch weit mehr dieses vom Stande und den Bedürfnissen der Technik. Hat die Gesellschaft ein technisches Bedürfniss, so hilft das die Wissenschaft mehr voran als zehn Universitäten." — Letter of 1894 in *Der sozialistische Akademiker* (1895), p. 373. Reprinted in L. Woltmann, Der historische Materialismus (1900), p. 248.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

imply that "economic" excludes physical factors. It is obvious, for instance, that geographical conditions, to some degree and under certain circumstances, affect the facts of production. To the extent that Buckle pointed this out, he was in thorough accord with Marx; but the geographical conditions, as Marx has himself maintained, form only the limits within which the methods of production can act. While a change of geographical conditions may prevent the adoption of new methods of production, precisely the same geographical conditions are often compatible with entirely different methods of production. Thus, Marx tells us:

> It is not the mere fertility of the soil, but the differentiation of the soil, the variety of its natural products, the changes of the seasons, which form the physical basis for the social division of labor, and which, by changes in the natural surroundings, spur man on to the multiplication of his wants, his capabilities, his means and modes of labor. It is the necessity of bringing a natural force under the control of society, of economizing, of appropriating or subduing it on a large scale by the work of man's hand, that first plays the decisive part in the history of industry.[1]

He goes on to explain, however, that "favorable natural conditions alone give us only the possibility, never the reality," of definite economic methods of production and distribution of wealth. In the same way, Engels concedes that the geographical basis must be included in enumerating the economic conditions, but contends that its importance must not be exaggerated.

This is, however, by no means the most important elaboration of the theory. In the interval that elapsed between the first statement of the theory in the forties and the death of Marx the founders of the doctrine had little reason to moderate their statements. But after the death of Marx, and especially when the theory began to be actively discussed in the social-democratic congresses, the extreme claims of the orthodox Marxists began to arouse dissent, even in the ranks of the socialists themselves. Partly as a result of this, partly because

[1] Capital (English translation), p. 523.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of outside criticism, Engels now wrote a series of letters in which he endeavored to phrase his statement of the theory so as to meet some of the criticisms. In these letters[1] he maintained that Marx had often been misunderstood and that neither he himself nor Marx ever meant to claim an absolute validity for economic considerations to the exclusion of all other factors. He pointed out that economic actions are not only physical actions, but human actions, and that a man acts as an economic agent through the use of his head as well as of his hands. The mental development of man, however, is affected by many conditions; at any given time the economic action of the individual is influenced by his whole social environment, in which many factors have played a rôle. Engels confessed that Marx and he were "partly responsible for the fact that the younger men have sometimes laid more stress on the economic side than it deserves"; and he was careful to point out that the actual form of the social organization is often determined by political, legal, philosophical and religious theories and conceptions. In short, when we read the latest exposition of their views by one of the founders themselves, it almost seems as if the whole theory of economic interpretation had been thrown overboard.

It would be a mistake, however, to suppose that these concessions, undeniably significant as they are, involved in the minds of the leaders an abandonment of the theory. Engels continued to emphasize the fundamental significance of the economic life in the wider social life. The upholders of the doctrine remind us that, whatever be the action and reaction of social forces at any given time, it is the conditions of production, in the widest sense of the term, that are chiefly responsible for the basic permanent changes in the condition of society. Thus, Engels

[1] Engels's letters, written to various correspondents between 1890 and 1894, appeared originally in two newspapers, the *Leipziger Volkszeitung* (1895), no. 250, and *Der sozialistische Akademiker*, October 1 and 15, 1895. They have been reprinted, although not all of them in any one place, by Woltmann, Der historische Materialismus (1900), pp. 242–250; by Masaryk, Die Grundlagen des Marxismus (1899), pp. 104; by Mehring, Geschichte der deutschen Sozialdemokratie, zweiter Theil (2d ed.), p. 556; and by Greulich, Ueber die materialistische Geschichtsauffassung" (1897), p. 7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tells us that we must broaden our conception of the economic factor so as to include among the economic conditions, not only the geographical basis, but the actually transmitted remains of former economic changes, which have often survived only through tradition or *vis inertiæ*, as well as the whole external environment of this particular form. He even goes so far as to declare the race itself to be an economic factor. And, while he still stoutly contends that the political, legal, religious, literary and artistic development rests on the economic, he points out that they all react upon one another and on the economic foundation.

> It is not that the economic situation is the cause, in the sense of being the only active agent, and that everything else is only a passive result. It is, on the contrary, a case of mutual action on the basis of the economic necessity, which in last instance always works itself out.[1]

A controversy that has arisen since Engels's death may serve to bring out the thought more clearly. A number of suggestive writers, of whom Gumplowicz[2] is perhaps the most important, have attempted to explain some of the leading facts in human development by the existence of racial characteristics and race contests. Yet we now have an interesting work by a Frenchman, who does not even profess himself an advocate of the economic interpretation of history, maintaining, with some measure of success, that the majority of different racial characteristics are the results of socio-economic changes which

[1] "Ferner sind einbegriffen unter den ökonomischen Verhältnissen die geographische Grundlage, worauf diese sich abspielen, und die thatsächlich überlieferten Reste früherer ökonomischer Entwicklungsstufen, die sich forterhalten haben, oft nur durch Tradition oder *vis inertiae* natürlich auch das diese Gesellschaftsform nach aussenhin umgebende Milieu . . . .

"Wir sehen die ökonomischen Bedingungen als das in letzter Instanz die geschichtliche Entwicklung Bedingende an. Aber die Rasse ist selbst ein ökonomischer Faktor. . . . Die politische, rechtliche, philosophische, religiöse, litterarische, künstlerische, *etc.*, Entwicklung beruht auf der ökonomischen. Aber sie alle reagieren auch auf einander und auf der ökonomischen Basis. Es ist nicht, dass die ökonomische Lage Ursache, allein aktiv ist und alles andere nur passive Wirkung. Sondern es ist Wechselwirkung auf Grundlage der in letzter Instanz stets sich durchsetzenden ökonomischen Notwendigkeit. . . ." — Letter of 1894, *ibid.*

[2] Der Rassenkampf.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are themselves referable to physico-economic causes.[1] Demolins, the chief representative to-day of the school of LePlay, has — at least, so far as appears from his writings — never even heard of Marx or his theory, and we find in his work very little of the detail of the class conflict which primarily interested the socialists. But while Demolins reverts in essence to what might be called the commercio-geographical explanation of history, he is careful to point out how the conditions of physical life affect the methods and relations of production, and how these in turn are largely responsible for the differentiation of mankind into the racial types that have played a rôle in history. Thus, from his point of view, the race is largely an economic product, and we begin to understand what Engels meant when he declared the race itself to be an economic factor.

The theory of economic interpretation thus expounded by Engels must be considered authoritative. He tells us that Marx never really regarded the situation in any other light. Nevertheless, it cannot be denied that there are passages in Marx which seem to be more extreme, and which represent the doctrine in that cruder form which is so frequently met with among his uncritical followers. We are bound, however, to give him the benefit of the doubt; and we must not forget that when a new theory supposed to involve far-reaching practical consequences is first propounded, the apparent needs of the situation often result in an overstatement, rather than an understatement, of the doctrine.

We understand, then, by the theory of economic interpretation of history, not that all history is to be explained in economic terms alone, but that the chief considerations in human progress are the social considerations and that the important factor in social change is the economic factor. Economic interpretation of history means, not that the economic relations exert an exclusive influence, but that they exert a preponderant influence in shaping the progress of society.

[1] Edmond Demolins, Comment la route crée le type social, Essai de géographie sociale, n.d. (1901).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

So much for a preliminary statement of the real content of the economic conception of history, as explained and elaborated by the founders themselves. In a subsequent section we shall revert to this point and attempt to analyze somewhat more closely the actual connection between the economic and the wider social relations of mankind.

VI.

Let us now proceed to study some of the applications that have been made of the theory of the economic interpretation of history. We can pursue this study without prejudicing the final decision as to the truth of the doctrine in its entirety. For it is obvious that we may refuse to admit the validity of the theory as a philosophical explanation of progress as a whole, and yet be perfectly prepared to admit that in particular cases the economic factor has played an important rôle. It is natural, however, that the economic influence in any given set of facts should be emphasized primarily by those whose general philosophical attitude would predispose them to search for economic causes. It will not surprise us, then, to find that much good work in this direction has been accomplished by the originators of the theory and their followers.

Marx himself made no mean contribution to the facts. Some of his statements are erroneous, and not a few of his historical explanations are farfetched and exaggerated; but there remains a considerable substratum of truth in his contributions to the subject. Of these contributions the most familiar is the account of the transition from feudal to modern society, due to the genesis in the seventeenth century of capital as a dominant industrial factor and to the industrial revolution of the eighteenth century. It was Marx who first clearly pointed out the nature of the domestic system and its transformation into the factory system of our age, with the attendant change from the local to the national market and from this, in turn, to the world market. It was Marx, again, who called attention to the essential difference between the economic life

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of classic antiquity and that of modern times, showing that, while capital played by no means an insignificant rôle in ancient times, it was commercial and not industrial capital, and that much of Greek and Roman history is to be explained in the light of this fact. It was Marx, too, who first disclosed the economic forces which were chiefly responsible for the political changes of the middle of the nineteenth century. And, finally, while Marx had originally devoted comparatively little attention to primitive civilization, we now know that in his manuscript notes he applied his doctrine in a suggestive way to the very first stages of social evolution.[1]

It is perhaps in the early history of mankind that the most signal additions to our knowledge have been made by recent writers. The pioneer in this field was our great compatriot, Morgan. He was really the first to explain the early forms of human association and to trace society through the stages of the horde, the clan, the family and the state. Moreover, although he did not work it out in detail or give his theory any name, there is no doubt that he independently advanced the doctrine of the economic interpretation of history, without being aware of the fact that it applied to anything but the early stages. Because of the great neglect by subsequent writers of this part of Morgan's achievements, it is necessary to call attention to it at somewhat greater length.

Morgan starts out with the guarded statement that it is "probable that the great epochs of human progress have been identified more or less directly with the enlargement of the sources of subsistence."[2] The great epochs of which he speaks, however, cease, in his opinion, with the introduction of field agriculture.[3] He discusses the assumption of original promiscuity in the human race and maintains that, while it probably existed at first, it is not likely that it was long continued in the horde, because the latter would break up into

[1] These notes are used by Engels in his Der Ursprung der Familie, des Privateigenthums und des Staats (1884). See preface to first edition.

[2] Lewis H. Morgan, Ancient Society (1877). The following quotations are from the edition of 1878, p. 19. *Cf.* p. 9.

[3] *Ibid.*, p. 26.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

smaller groups for subsistence and fall into consanguine families.[1] In his treatment of the dependence of early man upon the physical characteristics of the food supply, he takes up in turn the early natural subsistence upon fruits and roots, the connection of fish subsistence with savagery and migration, the relations between the discovery of cereals, the cessation of cannibalism and the reliance on a meat and milk diet, the connection between the domestication of animals and pastoral society and, finally, the transition of what he calls horticulture into agriculture.[2] In all this we seem to be getting little beyond Buckle. What differentiates Morgan entirely from Buckle, however, is the fact that, while the latter confines himself to the simple problem of production, Morgan works out the influence of all these factors upon the social and political constitution and traces the transformation of society to changes in the form and conditions of property.

Although Morgan did not succeed in making thoroughly clear the economic causes of the early tracing of descent from the female line, he did call attention to the connection between the growth of private property and the evolution of the horde into the clan or, as he calls it, the gens.[3] He elucidated still more clearly the causes of the change of descent from the female to the male line, showing how it went hand in hand with the extension of the institution of private property.[4] The

[1] Lewis H. Morgan, Ancient Society (1877), p. 418.

[2] *Ibid.*, pp. 20–26. Morgan's "horticulture" is really the same as the "hoe-culture" which has recently been heralded by German writers, like Hahn and Schmoller, as a great discovery of their compatriots.

[3] "With the institution of the gens came in the first great rule of inheritance which distributed the effects of a deceased person among his gentiles." — *Ibid.*, p. 528.

[4] "After domestic animals began to be reared in flocks and herds, becoming thereby a source of subsistence as well as objects of individual property, and after tillage had led to the ownership of houses and lands in severalty, an antagonism would be certain to arise against the prevailing form of gentile inheritance, because it excluded the owner's children whose paternity was becoming more assured, and gave his property to his gentile kindred. A contest for a new rule of inheritance, shared in by the fathers and their children, would furnish a motive sufficiently powerful to effect the change. With property accumulating in masses, and assuming permanent forms, and with an increased proportion of it held by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

account of the development of slavery[1] is perhaps not so novel; but the suggestion of an economic basis for the transition from the clan to the patriarchal family[2] and from the polygamic to the monogamic family[3] was as striking as it was original.

While Morgan was in no way an economist and had probably never heard either of Marx or of the historical school of economics, his final conclusion as to the relations of private property to social welfare is in substantial agreement with modern views. He tells us that:

> Since the advent of civilization the outgrowth of property has been so immense, its forms so diversified, its uses so expanding and its management so intelligent in the interests of its owners, that it has become, on the part of the people, an unmanageable power. The human mind stands bewildered in the presence of its own creation. The time will come, nevertheless, when human intelligence will rise to the mastery over property and define the relations of the state to the property it protects as well as the obligation and the limits of the rights of its owners. The interests of society are paramount to individual interests and the two must be brought into just and harmonious relations.[4]

The greater part of Morgan's *Ancient Society*, as well as of his other works,[5] was, however, devoted to an account of the

individual ownership, descent in the female line was certain of overthrow, and the substitution of the male line equally assured. Such a change would leave the inheritance in the gens as before, but it would place children in the gens of their father and at the head of the agnatic kindred." — Lewis H. Morgan, Ancient Society (1877), pp. 345–346. *Cf.* p. 531.

[1] *Ibid.*, p. 341 *et passim*.

[2] The patriarchal family is summed up as "an organization of servants and slaves under a patriarch for the care of flocks and herds, for the cultivation of lands and for mutual protection and subsistence. Polygamy was incidental." — *Ibid.*, p. 504. *Cf.* pp. 465–466.

[3] "The growth of property and the desire for its transmission to children was in reality the moving power which brought in monogamy to insure legitimate heirs and to limit their number to the actual progeny of the married pair." — *Ibid.*, p. 477.

"As finally constituted, the monogamian family assured the paternity of children, substituted the individual ownership of real as well as of personal property for joint ownership, and an exclusive inheritance by children instead of agnatic inheritance." — *Ibid.*, p. 505. *Cf.* p. 389.

[4] *Ibid.*, p. 552.

[5] The League of the Iroquois (1849); Systems of Consanguinity and Affinity of the Human Family (1871); and Houses and House Life of the American Aborigines (1881).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

historical facts, rather than of their economic causes. The controversy which at once sprang up in England, and which has lasted almost to the present time, turned well-nigh exclusively upon the first set of considerations. When scientists were not agreed upon the facts, it would seem useless to speculate about the causes of the facts. The trend given to the discussion by this early controversy is largely responsible for the fact that until very recently writers on sociology or social history have almost completely neglected the economic aspect of the transitions which they describe.[1] But, although some parts of Morgan's theory — like the details of the earliest consanguine family and the perhaps somewhat hasty generalization as to primitive promiscuity — have been modified, the substance of his account of the uterine or maternal clan and of its development into the tribe and the state, as well as of the dependence of the transition upon changes in the forms of property, have become incorporated into the accepted material of modern science.

It was not, however, until the German advocates of the economic interpretation of history took the matter up that Morgan's real importance was recognized. Engels published in 1884 his *Origin of the Family*, in which he showed that Morgan's views marked a distinct advance upon those of Bachofen and McLennan, and claimed that the English archæologists of the day had really adopted Morgan's theory without giving him credit. Turning from the account of the development to its causes, Engels accepted all of Morgan's conclusions as to the early uterine society and the development of monogamy, but carried them one step further by combining, as

[1] This is true of McLennan, Westermaarck, Starcke, Tyler, Lumholtz, Post and many others. It is true also, although to a somewhat less degree, of my honored colleague, Professor Giddings. Almost the only passage of importance for our purposes in his Principles of Sociology (1896) is the one on p. 266: "It seems to be an economic condition which in the lowest communities determines the duration of marriage and probably also the line of descent through mothers or fathers." *Cf.*, however, in addition, pp. 276, 288 and 296. In a more recent article Professor Giddings substantially concedes that "these writers [Marx and his followers] may be held to have made good their main contention." — *International Monthly*, II (1900), 548.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

he tells us, Morgan and Marx. Engels ascribed the transformation of gentile society to the first great social division of labor — the separation of pastoral tribes from the rest of society. This in itself gave rise to intertribal exchange as a permanent factor in economic life, and it was not long before intertribal exchange led to barter between individuals — a barter chiefly in cattle and natural products. With the transition from common to private property in such movables, the ground was prepared, on the one hand, for slavery and, on the other, for the downfall of the matriarchate. As private property increased we find the second great step in the division of labor — the separation of manual industry from agriculture. Exchange now becomes an exchange of commodities, and with the economic supremacy of the male there appear the patriarchate and then the monogamic family. Finally comes the third step in the division of labor — the rise of the merchant class, with the use of metallic money. The growth of capital, even if it be mercantile capital (as against the original cattle capital), ushers in a state of affairs with which the old gentile organization is no longer able to cope; and thus we find the origin of the political organization, the genesis of the state. In Greece, in Rome and in the Teutonic races of the early middle ages this transition is a matter of record; but no one before Morgan and Engels had been able to explain it intelligibly.

The hints thrown out by Morgan and Engels have been worked up by a number of writers, few of whom can be classed as socialists. At first the professed sociologists paid but little attention to the matter. With Kovalevsky, in 1890, we begin the series of those who attempted to prove a somewhat closer connection between the family and private property.[1] In 1896 Grosse devoted a separate volume to the subject[2] and brought out some new points as to the influence of economic conditions upon the character of the family, especially in the case of nomadic peoples and the early agriculturists. In the same

[1] Maxime Kovalevsky, "Tableau des origines et de l'évolution de la famille et de la propriété," *Skrifter utgifna af Lorenska Stiftelsen* (Stockholm, 1890).

[2] Die Formen der Familie und die Formen der Wirthschaft (1896).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

year Professor Hildebrand published an admirable work on *Law and Custom in the Different Economic Stages*, in which, although not neglecting the earlier phases of social life, he laid the emphasis on the economic basis of the primitive agricultural community.[1] For the still earlier period noteworthy work has been done by Cunow. After having prepared the way by a study of the systems of consanguinity among the Australians[2] Cunow published in 1898 a series of articles on the economic basis of the matriarchate.[3] He emphasized the essential weakness, from the historical point of view, of the ordinary classification into hunting, pastoral and agricultural stages.[4] Beginning, however, with the hunting stage, Cunow maintains that the earliest form of organization rests on the supremacy of the man, which is not by any means the same thing as the supremacy of the father; for the polygamic or monogamic family which forms the basis of the patriarchal system was of much later development. In the early stages we may have a uterine society — that is, a tracing of descent through the mother — but we have no matriarchate.[5] Cunow gives the economic reasons which explain this tracing of the descent through the female and shows how, under certain conditions, she becomes more sought after until finally she attains such an economic importance that the matriarchate itself develops.[6] Incidentally he traces the connection between the female and early agriculture, and explains how her growing importance, both in and out of the home, exerted a decided influence upon

[1] Recht und Sitte auf den verschiedenen wirthschaftlichen Kulturstufen. Erster Theil (1896).

[2] Die Verwandschaftsorganisationen der Australneger (1894).

[3] "Die ökonomischen Grundlagen der Mutterherrschaft," in *Die neue Zeit*, XVI, 1. A French version appeared in *Le Devenir social*, V (1898), 42, 146, 330, under the title, "Les Bases économiques du matriarcat."

[4] *Ibid.*, p. 108. Cunow, however, does not remind us that all this had been pointed out in 1884 by Dargun in his admirable study, which is not so well known as it ought to be: "Ursprung und Entwicklungsgeschichte des Eigenthums," in the *Zeitschrift für vergleichende Rechtswissenschaft*, V, especially pp. 59–61. Professor Giddings, in his article in the POLITICAL SCIENCE QUARTERLY for June, 1901 (XVI, 204), alludes to the older theory as based on "the Mother-Goose philosophy of history." Dargun and Cunow are the writers who have emancipated us.

[5] *Ibid.*, p. 115.

[6] *Ibid.*, pp. 141, 176, 209.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the early division of labor. The matriarchate is shown very clearly to be largely an economic product.[1]

In 1901 Cunow followed up his exposition by another series of essays on "The Division of Labor and the Rights of Women."[2] Here he points out the error of the usual statement that agriculture is a condition precedent to a disappearance of the nomadic life. On the contrary, maintains Cunow, a certain degree of stationary settled activity is a condition precedent to the transition to agriculture.[3] Agriculture, however, may develop either out of the pastoral stage or out of the hunting stage, and in each case the activity of the female is of cardinal importance. The female is not only the primitive tiller of the soil, but also the creator of the earliest house industry, which plays such a distinctive rôle in primitive barter.[4] The earliest division of labor rests on the principle that the female attends to the vegetable sustenance, the man to the animal diet, and on this fundamental distinction all the other social arrangements are built up. Marriage for a long time is not an ethical community of ideal interests, but very largely an economic or labor relation.[5]

Of much the same character as this investigation are the attempts made still more recently to supply an economic explanation for the origin of totemism[6] and to study the economic causes of slavery. Especially on the latter topic our knowledge of the early conditions has been greatly increased by the detailed study of Nieboer.[7] This writer, who accepts the theory of the

[1] Cunow, *op. cit.*, pp. 238, 241.

[2] "Arbeitstheilung und Frauenrecht; zugleich ein Beitrag zur materialistischen Geschichtsauffassung," in *Die neue Zeit*, XIX, 1.

[3] *Ibid.*, p. 103.

[4] *Ibid.*, pp. 152, 180.

[5] *Ibid.*, p. 276.

[6] Dr. Julius Pikler, Der Ursprung des Totemismus; ein Beitrag zur materialistischen Geschichtstheorie (Berlin, 1900). A somewhat different, but equally "materialistic," interpretation has been given by Frazer, in the *Fortnightly Review* for 1899, and by Professor Giddings, in a note on "The Origin of Totemism and Exogamy," in the *Annals of the American Academy of Political and Social Science*, XIV, 274.

[7] Dr. H. J. Nieboer, Slavery as an Industrial System (The Hague, 1900). See the review of this work in the POLITICAL SCIENCE QUARTERLY, September, 1901.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

brilliant Italian economist Loria, has overturned many of the former notions on the subject and has studied slavery, not only, as most writers have done, in the agricultural stage of society, but also in the hunting, fishing and pastoral stages. Coming to the later period of classic antiquity, Ciccotti has shed considerable light on the origin and development of slavery in Greece, as well as in Rome, and has traced the connection between this fundamental fact and the entire political and social history.[1] Other writers, such as Francotte[2] and Pöhlmann,[3] have considered more in detail the economic status of Greece and its influence on national and international conditions.

In the case of Roman history the relation between the land question and national progress has always been so obvious that such historians as Nitzsch and Mommsen did not have to wait for the rise of the school of economic interpretation. Even in the case of Rome, however, good work has since then been done, especially in the imperial period, in emphasizing the controlling influence of economic factors on the general development.[4] So, also, some neglected points in the history of Hebrew antiquity have been brought out by writers like Beer and Mehring.[5]

When we come to more recent periods of history, there is an embarrassment of riches. The economic forces which were instrumental in shaping the transition from feudal to modern society are so obvious that the historians have for some time been laying stress on economic interpretation almost without

[1] Ettore Ciccotti: Il Tramonto della schiavitù nel mondo antico (Torino, 1899). The suggestive sketch of the whole topic by Eduard Meyer, in his address "Die Sklaverei im Alterthum" (1898), suffers in some important points from the fact that the well-known historian is only imperfectly acquainted with the results of recent economic studies.

[2] Francotte, L'Industrie dans la Grèce ancienne (1901).

[3] Pöhlmann, Geschichte des antiken Sozialismus und Communismus (1901).

[4] *Cf.* the series of essays by Paul Ernst on "Die sozialen Zustände im römischen Reiche vor dem Einfall der Barbaren," in *Die neue Zeit*, XI (1893), 2, and the suggestive book of Deloume, Les Manieurs d'argent à Rome (1892).

[5] M. Beer, "Ein Beitrag zur Geschichte des Klassenkampfes im hebräischen Alterthum," *Die neue Zeit*, XI (1893), 1, p. 444. For similar studies by Kautsky and Lafargue, see Mehring, Die Lessing-Legende, p. 481.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

knowing it. This is true, for instance, in the treatment of the military system, which has been clearly described by Bürkli in his account of the transition in Switzerland.[1] One of the most accomplished of Belgian historians, Des Marez, has recently voiced his conviction that

> no one can investigate the deeper causes that have influenced the peoples between the Rhine and the North Sea without perceiving that it is above all the economic conditions, and not racial, linguistic or other factors, that have determined national progress.[2]

The newer view has led investigators to accentuate the economic factor not only in the Crusades[3] but also in the Reformation with the victory of Calvinism and Puritanism.[4] The professed historians themselves have been so far influenced by the movement that Lamprecht, one of the most distinguished of German scholars, has recently made the economic factor the very foundation of the entire political and social development of mediæval Germany.[5] In the acrimonious discussion which this "audacious" move has engendered — a discussion not yet concluded — the gradual triumph of the newer tendency seems by no means improbable.[6] When we approach the centuries nearer

[1] Karl Bürkli: Der wahre Winkelried; die Taktik der alten Urschweizer (1886). See especially pp. 143–184. *Cf.* also the same author's Der Ursprung der Eidgenossenschaft aus der Markgenossenschaft und die Schlacht am Morgarten (1891). In this monograph emphasis is laid on the economic origin of the Swiss democracy in general.

[2] G. Des Marez, Les Luttes sociales en Flandre au moyen âge (1900), p. 7.

[3] *Cf.* the article by Prutz, "The Economic Development of Western Europe under the Influence of the Crusades," *The International Monthly*, IV (August, 1901), 2, p. 251.

[4] See especially Engels, Der deutsche Bauernkrieg; Bernstein's essay on "The Socialistic Currents during the English Revolution," in Die Geschichte des Sozialismus in Einzeldarstellungen, I, 2, and published as a separate work under the title, Communistische und demokratisch-socialistische Strömungen in der englischen Revolution des XVII. Jahrhunderts (1895); and Belfort Bax's study on the Social Side of the German Reformation, of which two volumes have thus far appeared.

[5] Lamprecht, Deutsche Geschichte.

[6] Lamprecht's general views may be found in his Alte und neue Richtung in der Geschichtswissenschaft and Was ist Kulturgeschichte? (1896). A list of some recent articles on the controversy may be found in Ashley, Surveys Historic and Economic, p. 29. To these may now be added the article of Below in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

our own time, it has almost become a commonplace to explain in economic terms the political transition of England in the eighteenth century, as well as the French and American revolutions. To take only a few examples from more recent events, it is no longer open to doubt that the democracy of the nineteenth century is largely the result of the industrial revolution; that the entire history of the United States to the Civil War was at bottom a struggle between two economic principles; that the Cuban insurrection against Spain, and thus indirectly the Spanish-American War, was the outcome of the sugar situation; or, finally, that the condition of international politics is at present dominated by economic considerations. Wherever we turn in the maze of recent historical investigation, we are confronted by the overwhelming importance attached by the younger and abler scholars to the economic factor in political and social progress.

VII.

We come now to the most important part of the subject — a consideration, namely, of the objections that have been urged to the doctrine here under discussion. Some of these objections, as we shall learn later, are indeed weighty, but others possess only a partial validity. Yet the emphasis is commonly put by the critics of economic interpretation on the weak, rather than on the sound, arguments. It will be advisable, then, to consider first and at greater length some of these alleged objections, reserving for later treatment those criticisms which possess greater force.

Among the criticisms commonly advanced, the more usual may be summarized as follows: First, that the theory of economic interpretation is a fatalistic theory, opposed to the doctrine of free will and overlooking the importance of great men in history; second, that it rests on the assumption of

Historische Zeitschrift, LXXXVI (1900), 1. Perhaps the most striking work of this nature that has been accomplished by an American scholar is the article of E. V. D. Robinson, "War and Economics in History and Theory," POLITICAL SCIENCE QUARTERLY, XV (1900), 581–586.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"historical laws" the very existence of which is open to question; third, that it is socialistic; fourth, that it neglects the ethical and spiritual forces in history; fifth, that it leads to absurd exaggerations.

It will be observed that these criticisms fall into two categories. The one category takes exception, not only to the economic interpretation of history, but to the general social interpretation of history. The other class of objections does not deny that the controlling forces of progress are social in character, but contends that we must not confound economic with social considerations and that the economic factor is of no more importance than any of the other social factors. In the above list the first and second criticisms are to be included in the former category; the third and the fifth in the latter; while the fourth criticism is so broad that it falls partly in each category.

We begin with the first class of criticisms because some writers think that they are triumphantly refuting the economic interpretation of history, when they are in reality directing their weapons against a far more comprehensive structure of ideas, which very few of the opponents of the economic interpretation of history would like to see demolished. Let us consider, then, the objection that the doctrine is fatalistic, that it is opposed to the theory of free will and that it overlooks the importance of great men in history.

It is obvious that this is not the place to enter into a general philosophical discussion of determinism. For our purposes it is sufficient to state that, if by freedom of the will we simply mean the power to decide as to an action, there is no necessary clash with the doctrine of economic or social interpretation. The denial of this statement involves a fallacy, which in its general aspects has been neatly hit off by Huxley:

> Half the controversies about the freedom of the will . . . rest upon the absurd presumption that the proposition "I can do as I like" is contradictory to the doctrine of necessity. The answer is; nobody doubts that, at any rate within certain limits, you can do as you like. But what determines your likings and dislikings? . . . The passionate

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

assertion of the consciousness of their freedom, which is the favorite refuge of the opponents of the doctrine of necessity, is mere futility, for nobody denies it. What they really have to do, if they would upset the necessarian argument, is to prove that they are free to associate any emotion whatever with any idea however; to like pain as much as pleasure; vice as much as virtue; in short, to prove that, whatever may be the fixity of order of the universe of things, that of thought is given over to chance.[1]

In other words, every man has will power and may decide to act or to refrain from acting, thus showing that he is in this sense a free agent. But whether he decides in the one way or the other, there are certain causes operating within the organism which are responsible for the decision. The function of science is to ascertain what these causes are. All that we know thus far is that every man is what he is because of the influence of environment, past or present. We need not here enter into the biological disputes between the Weissmannist and the Neo-Lamarckian; for, whether we believe, with the one, that the only factor in progress is the power of natural selection to transmit and strengthen congenital characteristics or, with the other, that acquired characteristics are also inherited, we are dealing in each case with the operation of some form of past environment. Neither Weissmanists nor Neo-Lamarckians deny the obvious fact of the influence of present environment on the individual, as such.

Since, therefore, man, like everything else, is what he is because of his environment, past and present, — that is, the environment of his ancestors, as well as his own, — it is clear that, if we knew all the facts of his past and present environment, we should be in a much better position to foretell with some degree of precision the actions of every human being. Although a man is free to steal or not to steal, we are even now safe in predicting that under ordinary circumstances an honest man will not steal. His congenital and acquired characteristics are such that under certain conditions he will always

[1] Hume, with Helps to the Study of Berkeley, ch. x, in Huxley's Collected Essays, vol. vi, p. 220.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

elect a certain course of action. In the case of physical environment the matter is very simple. While an Eskimo may be perfectly free to go naked, it is not a violent stretch of the fancy to assume that no sane Eskimo will do so as long as he remains in the Arctic regions. When we leave the physical and come to the social environment, as we necessarily do in discussing the doctrine of economic interpretation, the essence of the matter is not much changed.

The theory of social environment, reduced to its simplest elements, means that, even though the individual be morally and intellectually free to choose his own action, the range of his choices will be largely influenced by the circumstances, traditions, manners and customs of the society about him. I may individually believe in polygamy and may be perfectly free to decide whether to take one or two wives; but if I live outside of Utah, the chances are very great that I shall be so far guided in my decision by the law and social custom as to content myself with one spouse. The common saying that a man's religion is formed for him affords another illustration. The son of a Mohammedan may elect to become a Christian, but it is safe to predict that for the immediate future the vast majority of Turks will remain Mohammedans.

The negation of the theory of social environment excludes the very conception of law in the moral disciplines. It would render impossible the existence of statistics, jurisprudence, economics, politics, sociology or even ethics. For what do we mean by a social law? Social law means that, amid the myriad decisions of the presumable free agents that compose a given community, there can be discovered a certain general tendency or uniformity of action, deviation from which is so slight as not to impair the essential validity of the general statement. In a race of cannibals the abstention by any one savage from human flesh will not influence the history of that tribe; in the present industrial system the offer on the part of any one employer to double the customary wages of his workmen will have no appreciable effect upon the general relations of labor and capital. The controlling considerations are always the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

social considerations. At bottom, of course, the individual is the unit ; and every individual may be conceived as — ideally, at least — a free agent. But for individuals living in society the theories that influence progress are the social choices, that is, the choices of the majority. The decision of any one individual is important only to the extent that his influence preponderates with the great majority ; and then it is no longer an individual judgment, but becomes that of the majority.[1]

This is the reason why the "great man theory" of history has well-nigh disappeared. No one, indeed, denies the value of great men or the vital importance of what Matthew Arnold calls the remnant. Without the winged thoughts and the decisive actions of the great leaders the progress of the world would doubtless have been considerably retarded. But few now overlook the essential dependence of the great man upon the wider social environment amid which he has developed.[2] Aristotle, the greatest thinker of antiquity, defended slavery because slavery was at the time an integral part of the whole fabric of Greek civilization. A Jefferson would be as impossible in Turkey as a Pobyedonostseff in the United States. Pheidias is as unthinkable in China as Lionardo in Canada. On the other hand, the effects ascribed to great men are often largely the result of forces of which they were only the chance vehicles. Cæsar erected the Roman Empire, but the empire would undoubtedly have come ultimately with or without Cæsar. Napoleon for the time transformed the face of Europe, but the France of to-day would in all probability have been in its essentials the same had Napoleon never lived. Washington and Lincoln assuredly exercised the most profound influence on their times, but it is scarcely open to doubt

[1] For an application of this doctrine to the theory of economics, see an article by the present writer on "Social Elements in the Theory of Value" in the *Quarterly Journal of Economics* (June, 1901).

[2] In his interesting essay on "Great Men and their Environment" Professor William James says many things which command assent, especially in connection with the geographical interpretation of history. But he misses the main point, although he hints at it on pp. 226–227. See The Will to believe and Other Essays (1897).

LICENSED TO UNZ.ORG.
ELECTRONIC REPRODUCTION PROHIBITED

that in the end the Revolution would have succeeded and the Rebellion would have failed, even though Washington and Lincoln had never existed.

While his appearance at a particular moment appears to us a matter of chance, the great man influences society only when society is ready for him. If society is not ready for him, he is called, not a great man, but a visionary or a failure. Just as in animal life the freak or sport works through natural selection as fixed by the environment, so in human life the great man can permanently succeed only if the social environment is ripe. Biologists tell us that variation in the species is the cause of all progress, but that the extreme limit of successful variation from the parent type in any one case does not exceed a small percentage. The great man represents the extreme limit of successful variation in the human race. It is to him that progress seems to be, and in fact often is, in large measure due. But we must not forget that even then the great mass of his characteristics are those of the society about him, and that he is great because he visualizes more truly than any one else the fundamental tendencies of the community in which his lot is cast, and because he expresses more successfully than others the real spirit of the age of which he is the supreme embodiment.[1]

It is, therefore, an obviously incorrect statement of the problem to assert that the theory of economic interpretation, or the theory of social environment of which it is a part, is incompatible with the doctrine of free will. If by determinism we erroneously mean moral fatalism, determinism is not involved at all.[2] The theory of social environment in no way implies fatalism. Social arrangements are human arrangements,

[1] An interesting attempt to study in detail the causes of the appearance of great men in a particular country and a particular field has been made by Professor A. Odin, of the University of Sofia, in his two-volume work, Génèse des Grands Hommes (1895). The author devotes himself specifically to the great men in French literature, concluding that the social and economic environment, not the force of heredity or chance, is the capital factor in the phenomenon.

[2] The passage sometimes quoted from Marx, Das Kapital, III, 2, p. 355, does not refer to the general problem of determinism, as Masaryk (Grundlagen des Marxismus, p. 232) seems to think, but to freedom in the sense of liberation from the necessity of working all day in the factory and having no time for self-improvement.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and human beings are, in the sense indicated, free to form decisions and to make social choices; but they will invariably be guided in their decisions by the sum of ideas and impressions which have been transmitted to them through inheritance and environment. So far as great men influence the march of progress, they can do so only to the extent that they can induce the community to accept these new ideas as something in harmony with their surroundings and their aspirations. Given a certain set of conditions, the great mass of the community will decide to act in a certain way. Social law rests on the observation that men will choose a course of action in harmony with what they conceive to be their welfare, and on the further observation that the very idea of an organized community implies that a majority will be found to entertain common ideas of what is their welfare. If the conditions change, the common ideas will change with them. The conditions, so far as they are social in character, are indeed created by men and may be altered by men, so that in last resort there is nothing fatalistic about progress.[1] But it is after all the conditions which, because of their direct action or reaction on individuals, are at any given moment responsible for the general current of social thought.

To the extent, then, that the theory of economic interpretation is simply a part of the general doctrine of social environment, the contention that it necessarily leads to an unreasoning fatalism is baseless. Men are the product of history, but history is made by men.[2]

[1] It is impossible to speak in any but respectful terms of Professor James. The limits of our toleration, however, are well-nigh reached when we find such an extreme statement as this: "I cannot but consider the talk of the contemporary sociological school about averages and general causes the most pernicious and immoral of fatalisms." — See the chapter on "The Importance of Individuals," in The Will to Believe, p. 262. This apparently shows an egregious misconception of the very nature of social law.

[2] Those interested in the discussion of this point by the socialists may be referred to the articles of Kautsky, Bernstein and Mehring in *Die neue Zeit*, XVII (1899), 2, pp. 4, 150, 268 and 845. Engels has also touched upon it several times, in his Anti-Dühring, in his Ludwig Feuerbach (2d ed., 1895), p. 44, and more fully in his letter of 1894 published in *Der sozialistische Akademiker* (1895), p. 373, and reprinted in Woltmann, Der historische Materialismus, p. 250.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The second objection to the theory under discussion is closely related to the first. The economic interpretation of history presupposes that there are historical laws. Yet this is demurred to by some.

Those, however, who deny the existence of historical laws are evidently laboring under a misapprehension. What they obviously mean is that the statement of some particular historical law is false or that the causes of some definite historical occurrence are so complex and so obscure that it is well-nigh impossible to frame a general explanation. But they cannot mean that historical laws do not exist. The mere fact that we have not discovered a law does not prove that there is none.

For what is meant by a scientific law? A law is an explanatory statement of the actual relations between facts. The processes of human thought enable us to classify the likenesses and differences in the myriad phenomena of life, and to subsume the unity underlying these differences. This unity makes itself known to us under the guise of a causal relation of one phenomenon to another. When we have succeeded in ascertaining the relation of cause and effect, we are able to frame the law. But our inability to discover the law does not invalidate the fact of its existence. The relations between the stars existed from the beginning of time; the discovery of the law which enables us to explain these relations is a result of scientific progress.[1]

What is true of the exact sciences is equally true of the social sciences, with the difference that the social sciences are immeasurably more complex because of the greater difficulty in isolating the phenomena to be investigated and in repeating the experiments. But to deny the existence of social laws, for instance, simply because some particular alleged laws may be

[1] This does not, of course, imply that the law possesses an objective existence apart from our apperceptions. A consideration of this problem belongs to the science of epistemology. The questions of the "Ding an sich" and of the necessary limits of human thought have no place in this discussion; nor have they any bearing upon the particular objection here alluded to. For the contention in question is not that historical laws have no objective existence, but that there is no possibility of our framing an adequate explanation of causal relations.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

convicted of unreality would be to repeat the errors formerly committed by some of the extremists among the historical economists and not yet so infrequent as they ought to be. Obedience to law does not mean that the law causes the phenomenon to happen, — for that is absurd, — but simply that the law affords an explanation of the occurrence.

History, however, is the record of the actions of men in society. It is not alone past politics, as Freeman said: it is past economics, and past ethics, and past jurisprudence, and past every other kind of social activity. But if each phase of social activity constitutes the material for a separate science, with its array of scientific laws, the whole of social activity, which in its ceaseless transformation forms the warp and woof of history, must equally be subject to law. All social activity may be regarded from the point of view of the coexistence of phenomena or from that of the sequence of phenomena. In the one case we arrive at the static laws, in the other at the dynamic laws. The laws of history are the dynamic laws of the social sciences or of the social science *par excellence*. To deny the existence of historical laws is to maintain that there is to be found in human life no such thing as cause and effect.

The third objection to the doctrine is its alleged socialistic character. To this it may be replied that, if the theory is true, it is utterly immaterial to what conclusion it leads. To refuse to accept a scientific law because some of its corollaries are distasteful to us is to betray a lamentable incapacity to grasp the elementary conditions of scientific progress. If the law is true, we must make our views conform to the law, not attempt to mould the law to our views.

Fortunately, however, we are not reduced to any such alternative. For, notwithstanding the ordinary opinion to the contrary, there is nothing in common between the economic interpretation of history and the doctrine of socialism, except the accidental fact that the originator of both theories happened to be the same man. Karl Marx founded "scientific socialism," if by that curious phrase we mean his theory of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

surplus value and the conclusions therefrom. Karl Marx also originated the economic interpretation of history and thought that his own version of this interpretation would prove to be a bulwark of his socialistic theory. And most of his followers have thought likewise. Thus, Mehring tells us that "historical idealism in its various theological, rationalistic and materialistic manifestations is the conception of history of the bourgeois class, as historical materialism is that of the laboring class." [1]

It is plain, however, that the two things have nothing to do with each other. We might agree that economic factors primarily influence progress; we might conclude that social forces, rather than individual whim, at bottom make history; we might perhaps even accept the existence of class struggles; but none of these admissions would necessarily lead to any semblance of socialism. Scientific socialism teaches that private property in capital is doomed to disappear; the economic interpretation of history calls attention, among other things, to the influence which private capital has exerted on progress. The vast majority of economic thinkers to-day believe, as a result of this historical study, that the principle of private property is a logical and salutary result of human development, however much they may be disposed to emphasize the need of social control. The neo-Marxists themselves — such as Bernstein, for instance — disagree with Marx's view as to the immediate future of the class struggle and consider that his doctrine of the "impending cataclysm of capitalistic society" has been disproved by the facts of the half century which has intervened since the theory was propounded. Yet Bernstein would not for a moment abandon his belief in the economic interpretation of history, as we have described it.[2]

In fact, the socialistic application of the economic interpretation of history is exceedingly naïve. If history teaches anything at all, it is that the economic changes transform society

[1] Die Lessing-Legende, p. 500.

[2] In his most recent book Bernstein speaks of the "realistische Geschichtsbetrachtung die in ihren Hauptzügen unwiderlegt geblieben ist." — Zur Geschichte und Theorie des Sozialismus (2d ed., 1901), p. 285.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by slow and gradual steps. It took centuries for feudal society to develop; it took centuries for private capital to convert feudalism into modern industrial society. The characteristic mark of the modern factory system, still in its infancy, is the predominance of the individual or corporate entrepreneur on a huge scale, as we see it typified in the present trust movement in America. To suppose that private property and private initiative, which are the very secrets of the whole modern movement, will at once give way to the collective ownership which forms the mistaken ideal of the socialists, is to shut one's eyes to the significance of actual facts and to the teachings of history itself.[1] Rodbertus was at least more logical than Marx when he asserted that the triumph of socialism would be a matter of the dim future.

Socialism is a theory of what ought to be; historical materialism is a theory of what has been. The one is teleological; the other is descriptive. The one is a speculative ideal;[2] the other is a canon of interpretation. It is impossible to see any necessary connection between such divergent conceptions. We must distinguish between the principle of economic interpretation in general and some particular application of the principle. We might agree with the general doctrine and yet refuse to accept the somewhat fanciful ideals of the non-socialist Loria; we might agree with the general doctrine and yet refuse to accept the equally fanciful ideals of the socialist Marx. Even if every one of Marx's economic theories was entirely false, this fact alone would not in any degree invalidate the general doctrine of economic interpretation. It is perfectly possible to be the staunchest individualist and at the same time an ardent advocate of the doctrine of economic interpretation. In fact, the writers who are to-day making the most successful application of economic interpretation are

[1] Marx, indeed, in one passage predicts the formation of trusts. But he, as well as his followers, overlooks the fact that concentrated capital, like separated capital, can do its best work only under the lash of individual initiative and personal responsibility.

[2] The "scientific socialists" deny this, but in vain.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not socialists at all. Socialism and "historical materialism" are at bottom entirely independent conceptions.

But while socialism and "historical materialism" are thus in no way necessarily connected, it does not follow that they may not both be equally erroneous. All that we have attempted to prove here is that the falsity of socialism does not, of and in itself, connote the falsity of economic interpretation. The fact that one argument is bad does not imply that other arguments are good. The validity of the economic interpretation of history is still open to question and cannot be decided until after a study of other and far more important considerations.

EDWIN R. A. SELIGMAN.

(*To be continued.*)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ECONOMY OF RUSSIA.

IN dealing with so vast a country as Russia, inhabited by many different peoples and having a variety of administrations, from the communal to the absolutely monarchical, it is hopeless to reach a general agreement upon even the more important social features. The conditions of one region are the opposite of those in another, and habits and regulations are confusing by their mere multiplicity. There is a remarkable difference in opinion upon the economic position of Russia and upon her ability to make a judicious use of the unquestionably great natural resources at her command. The one view represents the empire as striding towards a power and prosperity destined to give it a controlling voice in the world's movements; another pictures the government as rushing to its ruin, as already trembling on the verge of bankruptcy and as certain to result in a divided empire, European and Asiatic. The truth must lie between these extremes; and my intention is to take a few phases of administration and to weigh them as they are now active, testing their efficiency by the results already in evidence.

Russia is an agricultural country, and for some years its industries have been forced along artificial lines. As an agricultural country, its welfare rests upon the strength of its peasants and on their ability to make use of the land. If the situation of these farmers is precarious and shows a tendency to become more uncertain, then the apparent prosperity of the state is also uncertain; and figures of capital, of output, of railroad returns or customs receipts cannot set aside the fact. They will show that in certain directions wealth in the hands of a few is increasing, but they cannot show that the peasant is sharing in this betterment. From indirect evidence the truth may be learned, and I am obliged to depend largely upon such indirect evidence. It is, however, of sufficient force

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to show that autocracy is often not consonant with healthy economic development and, with the present predominance of economic questions, may be the cause of greater injury than benefit.

A foreigner visiting the United States in 1859 would have described its economic position as one of transition. The most important interest was agriculture. Manufactures were few in number and nowhere of high importance, outside of Pennsylvania and New England. The exports were almost entirely of agricultural products; the imports were of the manufactures in general use and for the production of which the native resources would have been sufficient in kind and quantity, had they been utilized. Even the transportation system was in its early stage, with less than 30,000 miles of railroad in operation. The seacoasts and lake and river traffic were important factors, for they invited to foreign trade, and the English markets not only gave the capital needed to develop the Middle West but took its principal product — wheat. Wide differences in social aim and effort existed among the different sections of the country, but all became insignificant when placed against the great conflict in social systems of North and South. That was an irreconcilable difference, as matters then stood, and one that acted as a barrier to a better common understanding, an advance in national life and realization. Slavery was hostile to economic development save on plantation lines, and nowhere in the United States was there room for that single and wasteful form of development. It was evident that the situation between the North and the South was strained, and that the troubles were about to come to a head. An agricultural community at war with itself — the observer might well have entertained gloomy forebodings of the future.

Not a few of the social differences of the United States in 1859 are to be encountered in Russia at the present time, with modifications due to the customs and laws of historical development. The interests of Russia are mainly agricultural, and in foreign countries must markets be found for the surplus products of agriculture — if, indeed, absence of famine leaves

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a surplus for exports. Her system of railroads is still inadequate to the trade demands of her people, having been planned for military rather than commercial reasons. With a desire to be industrially independent, her fiscal policy has been turned to build up favored interests. Possessed by an ambition to be a maritime power and convinced that the North Sea alone would be a source of weakness, rather than of strength, her rulers have consistently pursued the wish to possess seaports on the Mediterranean and, later, on the Pacific. In seeking to attain this end, costly wars have been fought, the combined might of Europe has been defied and all the arts of diplomacy, from open threats to the most polished coaxing and flattery, have been exerted. Constantinople at present remains just beyond the reach of her power; the Balkan states have been raised into petty kingdoms and neutralized, so as to be a field for the intrigues of any power willing to run the risk of antagonizing Europe, yet ever unassailable without the consent of so many of the goverments of Europe that agreement is well-nigh inconceivable. Turned away from the south, Russia goes into her empire of Asia and there continues her diplomatic manœuvers, while adopting that most civilized and advanced instrument of power and union — a transcontinental railroad. It is not this political phase that I wish to describe, but the economic condition behind it.

From this standpoint, the resemblance between the Russia of to-day and the United States of 1859 is striking. Money has been borrowed to build railroads and establish manufactures; vast areas of territory are without population and inaccessible either to people or trade; the recognition of one head has not made the empire homogeneous, but its sectional interests in production and commerce are distinct and conflicting; the sense of nationality is weak, however buoyed up by appeals to race and kinship. The military ambitions, pushed forward by the ever-encroaching waves of movement at the outer fringes of the empire, possess a glamour for a few, and bring a sense of power not enjoyed by the pioneers who first moved upon the American prairie. Behind all these many

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

outward phases of Russian activity stands the peasant, the serf of former days, whose labor must pay for the imperial dreams of his masters, and who neither shares in the excitement of acquisition nor participates in the profits of possession. Scantily as Russia is populated, there are agricultural regions where an over-population is to be found; and because of the primitive methods of cultivation, want of capital and heavy debt, the peasant finds it difficult to obtain enough for his own support. Is there not some likeness between the social conditions flowing from serfdom in Russia and those flowing from negro slavery in the United States?

Like most agricultural countries at a certain stage of their development, Russia aspires to be an industrial country, and in recent years has not hesitated to adopt the most costly and radical measures to build up a manufacturing interest. It cannot be asserted that a great degree of immediate success has followed these measures, any more than it is possible to deny that there is something definite to show for the sacrifices and expenditures. Given the wish to establish an industry, with a sufficiently enticing government bounty, direct or indirect, and the mills will be built, stocked with machinery and run so long as a profit is assured. The defense of the bounty lies in the specious claim that it is not a foreign industry which is being supported and that so much money is prevented from going abroad for the purchase of foreign goods. On the other hand, foreign capital is invited by the promised profit and protection to enter into Russia, and it has been largely through foreign capital that the recent development of certain important industries of Russia has been accomplished. German and Belgian investors supplied the means, and the managers as well as the machinery were largely imported from abroad. It is a familiar illustration of the methods of protection that, in seeking to establish native industries, it is foreign capital and foreign labor which reap the first most substantial rewards — and sometimes the penalties.

Russia is rich in natural resources; but this richness is potential, rather than actual, and will require years of careful

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

development to be realized. Take the iron industry, everywhere looked upon as the most important of industries and a fair measure of the progress of the country. There has always been an iron interest in Russia, as in the Ural country; but a few years ago it began to develop at an extraordinary rate, notably in the southern districts, which were more accessible to foreign capital. In 1896 the production of pig iron in all Russia was 1,595,000 tons, and in 1900 it had risen to 2,821,000 tons; but the production of the south rose in the same years from 632,000 tons to 1,471,000 tons, an increase of 839,000 tons, leaving an increase of only 387,000 tons for the Ural region, Poland and central Russia. This extraordinary development was due to the certainty of government contracts for rails, bridge and structural iron and steel, and to the condition imposed in all railroad franchises that a certain proportion of the material should be supplied by the Russian mills. The contracts of the government called for 1,000,000 tons in 1899, and for 900,000 tons in 1900. In 1901 they required only about 400,000 tons and, as there is a general depression of the iron industry in Russia, this loss of custom will lead to a decided decrease in activity.[1] The artificial basis of this apparent growth of a great industry becomes apparent. It is no answer to say that foreign capital is the immediate loser because of the intense competition in Russian markets. Even if that were entirely true, foreign capital has been in a much better position to command the ordinary conditions of success than home undertakers could hope to be, and the failure, partial as it may be, of the Belgian or German will deter the Russian for a time from stepping into his place. The idea that in years of distress the government should come to the further assistance of industries which have been called into existence by a protective tariff is as old as customs duties and has led to extravagances indefensible in theory and condemned by results.

This principle of making a market for domestic products has been carried to an extreme. Among the commodities which

[1] After this article was written the government was induced greatly to increase its orders for the year 1901.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Russia offers to foreign buyers is petroleum, and the wells of Baku rank second in importance among the oil deposits of the world. Her great competitor is the United States, where a better oil is obtained than in Baku and where the machinery for handling the crude product, for refining and obtaining the important by-products, and for distributing the finished products, has been perfected to an extraordinary degree. As a result the American oil may be sold in every free market of the world, and holds its own against the oils of Russia and of Sumatra, in spite of the advantage of geographical position these wells have enjoyed. If there is any one line of Russian export worthy of every encouragement, it is that of mineral oil, and any reduction in the cost of production and transportation means a definite gain in the chances of successful competition in sales. In this direction the Russian government has done much. It has built a railroad and conceded special freight rates; it has constructed a pipe line and encouraged the necessary shipping for the export trade; but it has neutralized these advantages by insisting that the piping shall be made in Russian mills, and that the rails and rolling-stock shall be obtained from Russian makers.

The result as to pipe lines is suggestive. Oil is brought in cars from the wells to the station at Mihailova, where it is pumped into reservoirs and thence transmitted by pipe line to Batoum. Not to speak of the cost and trouble of this change from car to storage tank, the railroad is not sufficiently well equipped with tank cars to permit the pipe line to be worked to its full capacity. It has therefore been determined to connect Mihailova with Baku by pipe, this line, with a second section to run from Baku to Volchi-Vorota, involving more than 104 miles of construction. A condition attached to this project is that the pipes are to be manufactured at the Mariupol tube works, a Russian factory, the machinery for which was brought in sections from America some years since. As these works are able to turn out only 4500 tubes a month, and as the larger joint product of three Russian tube works demanded more than three years for the construction of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pipe line from Mihailova to Batoum, it is easily seen what a tax in time this condition implies. Nor is there assurance of good results, as about one pipe in every two of this earlier line was rejected because of faulty casting. By the act of the government the wholesome effect of competition upon quality of product is removed, and the result is costly waste.

Certain large manufactures in Russia have been unduly encouraged by state aid, and the high returns obtained in many of them have produced the inevitable consequence of competition and diminishing profits. Capital has gone into the industries most alluring in their prospects, without a proper consideration of the uncertainty attending so artificial a prosperity. With cotton-spinning mills paying annual dividends of twenty-five to forty per cent, iron works returning an average of fifty per cent annually on the invested capital, sugar factories distributing thirty per cent and over, and textile concerns earning forty per cent for their shareholders, the temptation to enter into this field was very great; and the effect of this excessive development soon made itself felt when the money market began to lose something of the activity which comes with a period of apparent prosperity, and enterprise was put to the touch of shrinking markets and over-speculation. In offering such bounties to domestic industries Russia invited the danger of giving too much and, by inaugurating an excessive home competition, of defeating the very end for which the policy was framed. The situation where prices have fallen below a fair return for effort has not yet been reached. But manufacturers who have been drawing dividends of forty to sixty per cent a year from their adventures complain of hard times when these unnatural rates are reduced by one-half, and they turn to the government to claim "relief" from this "industrial depression." Out of such an appeal came the experiments in producing and marketing sugar which have placed Russia outside of any European agreement on beet-root sugar and have led to retaliatory measures on the part of the United States. Out of the demands of the iron makers arose the heavy orders on the part of government and the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

framing of regulations for new ventures that limit the use of foreign iron or steel.

With nine-tenths of the adult population engaged in agricultural pursuits, the founding of manufactures would have required time and would have been attended with much experiment and loss. What England was in the middle of the eighteenth century, and what the United States was at the beginning of the nineteenth century, Russia was in the latter part of that century and still is. The system and practices of domestic economy rested upon the cultivation of the land, and the widely distributed and very important household industries were sufficient to meet the demands for manufactures. Simple as were those industries, the markets were even more simple; and the great fairs took on an international rather than a national tinge, offering opportunities for disposing of the surplus products of Russian agriculture in exchange for such articles as no home mill or works could supply. To create industries not only must the home market be assured, but there must be an additional encouragement to carry the investors over that period during which the home market itself must be in a measure created and schooled into taking the products of machine labor. What the early embargoes and the War of 1812 did for the United States, government bounty is doing for Russia. The protective system was applied at a time when Germany, in abandoning, from policy, a liberal commercial régime, and France, in adopting, from fiscal necessity, a scientific tariff, pointed out the path that all Europe, except England, was sooner or later to take. Capital was invited to come to the development of Russian resources and to the establishment of manufactures, and the results have just been described.

Capital is, however, only one factor of production, and it is the one most readily obtained. So large is the sum of capital in existence, so rapid is its accumulation and so mobile is its action, that the promise of a fair return takes it into extraordinary situations and into great risks. Capital, thus easily secured, could bring all the necessary equipment in industry

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

save one — labor, and on this point the Russian industrial policy has almost failed. No doubt the efforts to attain success have been honest and long continued, and the many governmental decrees and regulations, both public and private, eloquently manifest the desire to lay the foundation of really Russian industries. An example, not without point, may be found in the University of Dorpat. Until a few years ago a large part of the professors and instructors in this university were Germans; but it was desired to make the institution more distinctly Russian, and the foreigners were supplanted by the native born, who had been, as a rule, educated in the German universities. The beginnings were thus of a foreign nature, but it was foreseen that sooner or later the foreign element might be eliminated, although the basis might still be, so to speak, German.

The same course has been followed in industry. There was at first foreign skilled labor, brought into the country by foreign capital. There was little or no experience in manufactures to be found at home, and the foreigner came in much the same spirit as would the manager of a plantation in a tropical colony. He was the directing agency — that combination of knowledge and activity, skill and accumulated experience, which everywhere in recent years has contributed so largely to economic progress. He was accompanied by his assistants; and wherever a trained faculty was required, it was the foreigner who supplied it. Little by little this experience and example spread to the Russians and, as was inevitable, Russian works, still built by foreign capital but using Russian labor, began to spring up in different parts of the empire and to enter into competition. The great difficulty was to obtain the necessary native labor, and the difficulty still exists. In manufactures the perfection of skill is found where a steady attention is given to one operation, although this skill is obtained at the expense of other, and often higher, qualities in the workman. The great mass of free labor, mobile, adaptable and competent, that is found in manufacturing peoples, is a resource in itself, and gives the industrial system a foundation. In Russia was to be found

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

neither this labor nor the steadiness needed to call it into being. Agriculture has been the one great occupation generally practiced, and even that has been conducted upon so narrow a margin and by such primitive methods as to be inefficient and wasteful. The household industries might be able to supply workers acquainted with the simplest forms of manufactures; but the peasants are primarily farmers and landowners, and the ownership and care of the farms interfere with their availability for the mill industry. To this day the difficulty of keeping labor in the mill is at times insuperable. When the crops are poor and the demand for agricultural labor is slight, the mills are able to keep the hands they have; but a good crop draws the mill workers into the fields, and after harvest the mill owner must again obtain and then train his labor, with all the incidental waste and trouble connected with novices. Until a supply or fund of labor is accumulated, the cost of production will rule high, and the difficulty of meeting outside competition will be intensified.

This condition makes industry in Russia precarious at present, and offers a problem which even state agency is incompetent to solve within a reasonable space of time; for there is involved a situation which originated long before the era of industrial enterprise, and which the efforts of the government have contributed to perpetuate — that is, the position of the peasant and the lasting effects of serfdom. No one will deny that the emancipation of the serfs was a measure demanded by every meritorious consideration. It exemplified the highest moral principles and was planned upon a broad and unselfish public policy. What was accomplished in the United States by a bloody civil war, was attempted in Russia by purchase and by peaceful legislation. In both cases a people, long held in tutelage, untrained and entirely dependent upon others for support and direction, were to step into such an amount of freedom as could be utilized only by those who could become possessed of enough self-sufficiency to compete on equal terms with those around them. In both cases a purely agricultural people were to take their place in the ranks of trade and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

industry, to pursue callings as strange to their limited knowledge as they were to the higher attainments of their former masters. After more than thirty years of freedom the experiment of employing negroes in the cotton mills of the southern states of the Union is still of doubtful issue, and the tendency of the blacks is to go back to the land, whence, thus far, the best returns have been derived and a certain amount of independence secured. In Russia the serfs remained on the land, but are still in poverty and distress.

With a clear perception that for many years after emancipation the land must be the principal reliance of the peasantry, the framers of the measure sought to place a holding of land at the command of each liberated serf. But mere possession of property is not enough to change a dependent into an independent, and the practice of thrift and foresight is of slow growth. To have given the land without cost to the peasant would have been disastrous, and the purchase by means of loans from the state contained at least one of the surest, though not the best, means of awakening a sense of responsibility. The regular times and the certainty of the amount of payment were intended to place the peasant where he could make provision for meeting the instalments as they fell due. As to the outcome, the official returns of the arrears and the payments for redemption of land are sufficiently eloquent; while the kinds of taxes imposed upon the peasant and the diminishing returns from direct taxes indicate a positive weakness or inability on his part to meet them. The budget of the empire lays stress upon the increasing returns from customs, from railroads and from the liquor monopoly. The tariff rates are subject to frequent and sudden changes, and would be regarded as extreme were not the tariff of the United States available as a standard of high taxation. The extension of railroad management and of the liquor monopoly is accompanied by increased charges of administration, so that the net returns are not what the budget reports. Indirect taxes — taxes on consumption — give more than half the gross revenue of the empire and nearly eighty per cent of the net

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

income. What is obtained directly from the peasants is diminishing each year, in the favored as well as in the poorer departments.

This is not the "agrarian" question which is pressing upon Germany, France and Italy. The "decay of the agricultural interest" in those countries is due in a large measure to competition from younger communities which are able to grow wheat, transport it to Europe, and sell it at a price below what is demanded by the home producer as mere cost of production. The margin of profit on the leading agricultural products of older Europe has been wiped out, except so far as exceptionally favoring conditions or government bounty maintains it. There wheat may still be grown for a closed home market; and beet-root sugar may still pay handsome returns under an export bounty and a domestic market from which foreign competition is excluded. The grain interests of Russia, however, have no such problem to meet; for its wheat is raised almost entirely for export and in some years the anomaly is encountered of an export movement larger than the crop of the year, the difference being drawn from a stock of stored grain. The price of wheat has never reached a point at which the Russian grower could complain that he was not receiving the cost of production. Protective duties upon foreign cereals would not benefit him, any more than they have benefited the wheat farmers of the United States. All that he requires is to get his grain to market; and the government has aided him by building warehouses at railroad points, by conceding special tariffs on the transport of grain and even by making advances on grain thus stored, — performing, as it were, the duties usually assumed in other countries by commission merchants. The loss of market and the loss of crop are the two evils that can befall the Russian peasant. Debt he already has and, further, he has been made to feel that in the last extremity he will be assisted by the government or welcomed as an emigrant to Siberia. It is not a little suggestive that in parts of Russia, as in Poland, field labor becomes more costly each year. The reasons given are the attraction of towns and factories,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

emigration and the higher wages paid during harvest in Germany and Austria-Hungary.

The situation arising out of the abolition of serfdom has given a very fair measure for determining the condition of the peasant. The state became his landlord. It first purchased the lands to be assigned to the ex-serfs, issuing treasury bonds in payment. It then imposed upon the occupying ex-serf an annual rental and a yearly payment sufficient to liquidate in forty years the amount of the bonds issued. The sum of these two payments was about 40,000,000 roubles a year ($20,000,000). It is not necessary to enter into the question of the allotment of the land, whether inadequate to the needs of the peasant or given at a price much beyond a fair valuation. In no two provinces did the proprietors follow the same methods of valuing or assigning lands, and without doubt advantage was taken of the ignorance and helplessness of the new owners. The main point was that a stated sum was to be paid each year to the state by the peasant. If he paid regularly, it is safe to assume that his means were commensurate; if, on the other hand, he failed to meet this standing obligation, we may assert that his position economically was not a good one; and we may measure his position year by year through his payments to the state.

In the imperial budget these operations of purchase are recorded. There is little distinction to be made in this fiscal treatment between the serfs of the state and those of individual owners, as the same general facilities were offered to each. In 1874 the amount of arrears of payment due on the annual instalments was about 15,000,000 roubles ($7,500,000), — a moderate sum for the operations of twelve years, yet disturbing in its possibilities. For the peasant rents and dues constituted an important item of imperial revenue and, as the returns expected were about 80,000,000 roubles a year, this sum became a contingent liability to the state. A single bad harvest might reduce by one-half the returns from a suffering department, and a series of crop failures might oblige the state to obtain from other sources the revenue expected from the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

peasants. This is, in part, precisely what has happened. The deficient crops of 1891 and 1896 produced a heavy fall in the receipts from the peasants and the arrears in payments have since increased rapidly. In the budget figures appear two items: the one covers the sums paid by the emancipated serfs of private individuals, and the other applies to the land-redemption payments by peasants once serfs of the state. Since 1888 these payments have been as follows:

YEAR.	EX-SERFS OF INDIVIDUALS: ROUBLES.	EX-SERFS OF THE STATE: ROUBLES.	ARREARS ON 1ST JANUARY: ROUBLES.
1888	43,052,109	49,217,707	—
1889	42,414,504	49,332,385	—
1890	40,967,115	47,265,080	—
1891	34,850,911	34,197,945	39,800,000
1892	35,763,663	39,223,266	68,100,000
1893	42,802,337	53,128,544	90,000,000
1894	40,100,456	49,642,822	90,300,000
1895	42,123,910	55,845,478	95,800,000
1896	40,625,734	53,096,708	92,800,000
1897	37,543,857	47,952,180	94,200,000
1898	38,018,500	46,303,000	104,200,000

These figures, showing that as a whole the peasants are falling behind in their payments, may be taken as good evidence that they are not able to fulfill the conditions imposed by emancipation. The arrears continue to grow, and the government has no means of making them good. To dispossess the occupier will accomplish nothing, while aggravating his distress; and the possibility of a recurrence of the horrors of famine, against which the administration is almost powerless, prevents a recourse to extreme measures.

The grain crops of 1888 were unusually large, the best in quantity recorded in Russia up to that time. But when a fat year is followed by a series of lean years, the profits of the former are soon exhausted; and the more rapidly the decline occurs, the sooner are the good times forgotten. The crops of 1889 were below those of 1888, those of 1890 were still smaller, and the margin for subsistence became less with each decrease,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

until it had well cut into the produce available for export. Thus, 1891 was not only a bad year in itself, but it capped a succession of lean years, and there was little or no surplus of the past, no stored products, to draw upon. Had the deficiency been confined to food alone, it might have been faced with equanimity. Unfortunately it was as severe in every direction from which aid could have been sought. Without capital or the means of borrowing it, with their cattle swept away by plague or the pressing need for food, with disease following close upon the path of famine, and with the ever-present weight of debt and taxation, the peasant had no recourse for lightening the burden of this inexpressible terror, which appeared to be beyond the power of human effort to temper. The return of all grain crops in 1891 was thirty per cent below that of the good year 1888 and twenty per cent below that of the average yield of the period 1883–1887. But the crops most important to the Russian showed the largest decline, and rye was one-fourth below the average of five years, a shortage of more than 160,000,000 bushels. As a further aggravation of the difficulty, the loss was not equally distributed over all European Russia, for Poland produced an average crop. It was in southeastern Russia — the provinces in the basin of the Don and of the middle and lower Volga — that the want amounted to a disaster. Official figures of agriculture are notoriously uncertain; yet official returns — when the imperial government had every reason for not exaggerating the situation of these southern governments, and its interest lay rather in minimizing the peril — showed that in one department, Veronej, the grain interest had practically been wiped out, as the crop gathered in 1891 was only four per cent of that in 1890. From this extraordinary figure the yield of the thirteen different departments of this region ranged to sixty-four per cent; and the total for all thirteen was thirty-nine per cent below that of 1890, a not very good year. As these departments comprise the lands best suited to the cultivation of grain, it is only natural to find that their deficit accounts for a very large part of the total deficit — eighty-five per cent, it was estimated. Nearly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

one-third of the total population of European Russia is found in these thirteen departments, and it was this one-third on whom fell the principal weight of the famine and its after results, so disastrous to agricultural and commercial interests.

Confronted by such a calamity, the government resorted to drastic measures, which recall the policy of the Middle Ages. Under a system of competition and free movement, capital and labor, with their products, accommodate themselves to market conditions. Rising prices are the signal of a demand in excess of supply, and what is wanted flows in under the stimulus of promised profit until an equilibrium is restored or even an excess of supply exists, to be in its turn corrected by a fall in prices and an increased consumption or reduction of new supplies. But this movement assumes that the community is possessed of savings or of the means of commanding capital, to pay for the desired commodities. When the influx of supplies is determined, not by the opportunity for profit, but by considerations of charity, the movement takes on a new complexion. Such relief of famine, whether in Russia, British India or the flooded states of our South, exhibits rather an outright gift than the working of economic forces. In Russia the poverty of the people rendered impossible any purely commercial relief; indeed, it is doubtful if the lack of ready transportation would not have prevented such a solution. The government alone could serve as savior, and the government was powerless to lessen the dead weight of abject poverty.

The measures resorted to by the government were those which experience dictated; but experience was a bad teacher in this case, although her lesson had been given again and again. First, an imperial ukase issued early in August prohibited the exportation of rye, in the grain or as flour, and beans of every description, through any port of European Russia. That was an unnecessary precaution; for the best prices could be obtained in the famine districts and, with government buying freely, the supplies would naturally gravitate there by way of the best trade channels. As a second measure of relief the railroad tariff on maize and potatoes transported to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the suffering departments was reduced, in the expectation of inducing distilleries to use those materials in place of rye, thus leaving this grain available as food. It may be doubted whether the measure was a wise one. The high prices for rye as food would have checked its use in the distilleries, and again the government would have been the best purchaser. By prohibiting all exports the most available means of obtaining rye in the starving departments were disorganized, and long transport was taken where a shorter one would have been offered. A better device might have been found in the method used in France in the case of wheat, which enables foreign wheat to be imported at one frontier and an equivalent quantity of domestic flour to be exported over another; thus the payment of a customs duty is obviated and transport is saved, effecting economy in commerce. Rye from a foreign country was available for the famine parts of Russia, and the small amounts exported over distant frontiers could not have influenced this supply in any degree. Even in a good year the quantity of rye available for export from Russia is barely one-tenth of the crop and, as there were no stocks left over from former crops, the movement outward would have been inappreciable. But the policy of sealing up the ports was persisted in, and in October the exportation of potatoes and all grain, or their preparations, was also prohibited. The defenders of these measures asserted that they were necessary to retain in Russia the grain required for food and for seed.[1]

The year 1891 was a most instructive one to both Germany and Russia. The famine of that year brought home to Russia the fact that her export interests rested upon an uncertain basis and were liable to be seriously shaken by circumstances largely beyond the control of government. It also proved to Germany that her dependence on her eastern neighbor for grain was not so complete as had been feared, and thus paved the way for a declaration of commercial hostility to Russian

[1] It will not be necessary to describe the later famine of 1897, as the conditions attending it were similar to those of 1891. There are indications that the year 1901 must also be counted among the famine years.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

grain a few years later. But before that incident the relations of the two powers had been put under tension and the autocratic power of Bismarck had been displayed in a remarkable manner on the question of Russian loans. The commercial policy of Russia has been dictated by a wish, first, to encourage domestic industry, thus leading to a less dependence upon foreign supplies and, second, to leave the exports free to go into the best markets. This self-contradictory policy has been in the main successful because of the incapacity of existing home industries to meet home requirements. Had there been a large and varied surplus for export, the policy of excluding foreign manufactures would have invited retaliation. As it is, Russia has gradually increased her protective duties and has even been able to use her trade as a political weapon. The story is a curious one and involves questions of finance, as well as of trade.

A very interesting study could be made of the migration of capital in Europe, and the experience of Russia could furnish a very suggestive chapter. Before 1876 it was the English money markets that floated the Russian loans. The crisis of 1873 was not seriously felt in the empire until three years after the explosion had occurred in the United States, Germany, Great Britain and Austria. The period of depression moved slowly into Russia, where the materials for a crisis existed, but where the disrupting force was modified by an imperfect economic development. There had been great activity in the construction of railroads, which had been pushed forward rather too rapidly for the good of the country. Being based upon foreign capital, ventures were liable to reflect political as well as financial pressure. Under the stimulus of this foreign capital, wages of labor had risen, and this fact, coupled with a fair exhibit of the imperial finances, was interpreted as indicative, if not actually conclusive, of general prosperity. The government had made heavy guarantees in aid of railroad construction, in order to secure the participation of foreign capital; and the railroad companies had further pledged their credit as far as it would go. As the new roads were not profitable, the burden

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

falling upon the imperial treasury was large, and constituted in 1875 about forty-two per cent of the interest on the entire railroad loans and guarantees, the companies themselves being able to meet only fifty-eight per cent out of current net income. Further, in seeking to accumulate a stock of gold, the government entered the market and exchanged its paper for gold. But a paper circulation, when irredeemable on demand, has no means of correcting the effects of an over issue. Gold not in the government vaults is exported, while the paper remains at home, acting upon prices and stimulating credit. In this case banks sprang up and began to loan paper liberally, thus paving the way for a crisis. Liberal credits invited reckless expenditures at home, and immense sums were borrowed abroad and devoted to the purchase of foreign material.

Had the position of Russia been dependent upon financial or commercial conditions only, the storm would have been weathered, as it was in other countries, by years of retrenchment, saving and depression. But her situation was complicated by political considerations, and her known ambitions to secure a port on the Mediterranean, unhampered by the restrictions imposed on behalf of the "Sick Man," gave her every movement an interest to Powers intent upon frustrating her purpose. English capital had been largely invested in Russian securities, but it now began to withdraw and further dealings in Russian stock were discouraged. The Russian consols (5%) of 1873 were worth in London until 1876 about 98; in June of that year they had fallen to 85, and even touched 83. A recovery to 93 in August was more than wiped out by a fear of war, which drove this stock down to 76, and England practically freed itself of its Russian securities. The imperial government came forward as a purchaser of its own debt on favorable terms, and sold gold to support the price of what stock remained in foreign markets.

These international occurrences made the Russian bonds the sport of the speculator. The fall had occurred under the influence of an unreasonable panic, and political agitation came to strengthen those who believe that a Russian security was no

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

security. Unfortunately, the government of Russia stooped to one of those devices which only prove how backward a nation may be in matters of finance. It was not enough to buy up its own bonds, and thus dissipate a part of the gold stock so painfully accumulated; it must enter into a campaign against the speculators, and especially against those who were gambling in the credit or paper rouble. The process of these speculators is very clearly explained by Bloch. Having a certain sum in Russian securities, the syndicate would send them to be pledged to the Imperial Bank. The money so obtained would be used to purchase foreign bills of exchange, and these bills would be discounted in their turn, furnishing the speculator with the means of buying more Russian securities, and so on in an endless chain. But each operation took some gold out of Russia and, fearing lest the metal reserve should be entirely dissipated, the Minister of Finance intervened. By raising the rate of discount at the Imperial Bank from six and a half per cent in April, 1876, to nine and a half per cent in July, he checked the progress of the speculation and, by inviting other banks and certain bankers to give up a part of their gold for the Russian bonds so largely held by the Bank of the Empire, he forced a contraction of loans and compelled a liquidation.

Surely an autocrat could go no farther, but no autocrat could prevent the panic which followed. The banks being pressed for money turned upon their debtors, who in their turn began to call in all available funds. The credit bubble was pricked, commerce and industry suffered, the war with Turkey followed and, heavily handicapped by its disordered finances, Russia entered upon a costly struggle at a most inopportune time. The Minister of Finance, M. de Reutern, frankly admitted that the country was in no financial condition for war. A great part of the capital in landed property was represented in bonds and mortgages, the value of which had not yet reached stability and had to depreciate in the face of war. The foreign debt of the empire had greatly increased; and, while it could be shown that much of the expenditure had

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gone for productive works, like the railways, the interest on the debt had to be met, and the revenue derived from the completed undertakings was not so large as to lighten the burden. The war, he urged, would go far to destroy the gain that had accrued to Russia during twenty years of peace, and twenty other years of peace would be required to place Russia again where she was in 1876. Political considerations controlled: the Czar looked upon the war with Turkey as a "sacred duty," and against that the economic reasoning of the minister weighed but little. Paper money could be issued to any amount, should no foreign loan be possible; and this paper, with the contracts of war times and the abundant crops of grain for foreign export, would enable the government to meet the expenses of the war. The inevitable effects of this policy belonged to the future; and when a day of reckoning did come, Russia paid for her extravagance at usurious rates. The penalty would have been even greater, had it not been for the effusive friendship and unbounded liberality of France.

After this event, when Russia wished to borrow, it was to the money markets of Germany that the negotiations were carried. As late as 1884 it was the *Seehandlung*, a sort of banking department of the Prussian government, under the control of the Finance Minister, that managed the Russian loan of that year. The economic relations between the two nations at that time were close and tended to become even more intimate. After the Russo-Turkish war of 1877–78, when Russia decreed the payment of all customs in gold and thus increased the duties by about sixty per cent, it was German capital that entered Russia and set up industries. In Poland these enterprises not only found the imperial markets open to them and protected even from German competition, but they enjoyed the advantage of lower taxes — merely nominal imposts, compared with those levied by the German government. In taking the Russian loans and in establishing manufactures in Russia immense sums of German capital were involved. A fair estimate has placed the total at 3,000,000,000 marks ($714,000,000) — an investment which seemed to assure

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

friendly political relations. The commercial interests of the two countries were an additional bond of free relations. The grain exported from Russia found its market in Germany, while the manufacturers of Germany could count upon a steady demand from Russia.

The first break was undoubtedly political, and was due to Prince Bismarck's belief that Germany had become sufficiently powerful to be relieved of any necessity for maintaining close relations with her powerful neighbor. The ambitions of Russia were not those of Germany, and their fulfillment would leave Germany with nothing to gain from an alliance which had effected its ends through German means. The tariff policy of the Czar's ministers pointed to the gradual exclusion of foreign manufactures, in order that the domestic resources might be developed, and such exclusion would fall more heavily upon German trade than upon that of other countries. In 1882 Russia remodelled her tariff, and again, by imperial rescript, in May, 1885. The average rate of duty collected on imports into Russia from 1876–80 was fifteen per cent; from 1880–84, nineteen per cent; and by 1887 it had reached twenty-eight per cent, or nearly double what had been the rate before 1880. The railroad tariffs on grain had also been modified so as to threaten the existence of the grain trade of the German cities of Königsberg, Memel and Dantzig, in order to create grain centres at Libau, Odessa and Reval. The duties upon iron and steel products were increased in such a way as to weigh more heavily upon the products of Germany than upon those of Great Britain and Belgium. As nothing more than an imperial decree was needed to make a change in tariff rates, the many alterations introduced from time to time were interpreted as indications of the political drift of the imperial policy, and Germany saw many reasons for fearing that a hostility, hardly latent, existed against her trade interests. The manufacturers and exporters of Germany first protested, then began to press their own government to take measures, and finally openly preached retaliation. In this they had the support of the landholders ("agrarians"), who saw in increased duties on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Russian grain a chance for furthering their wish of reducing all foreign competition in grain. During these years Germany was the only customer for Russian bonds, while the paper rouble was one of the standing objects of speculation on the German bourses. It was French capital that gave the first development to Austrian enterprises in banking and railroads; but about 1880 German financiers began to take an interest in Austrian ventures, and by 1887 they had practically supplanted the French. The political relations existing between Germany and Austria were more natural than those arising between France and Austria. While the peace of Europe was clouded, — and during this period apprehension was never entirely absent, — it was important that the loans made by German bankers should go to probable friends rather than to possible enemies. The banker has played an important rôle in modern diplomacy, but even he cannot control race dislike or keep apart "natural enemies."

In January, 1887, Bismarck made an alarmist speech, in support of his demand for a larger army. France was the ostensible enemy, although it was well known that France was in no condition to wage war, much less a war of offense. Russia was the real enemy, and with upwards of 1,200,000,000 roubles of Russian state stocks held in German hands, the dangers of war were increased. So much German capital had gone to add to Russia's strength, and the stoppage of interest would prove a severe blow to Germany. The speech could be interpreted in only one way, — that Bismarck objected to further investments in Russian loans, believed the capital already so invested was unsafe and wished to warn the bankers of approaching troubles. This interpretation was strengthened by the failure of Russia to secure an arrangement for converting the Russian debt, a failure attributed to the personal influence of Bismarck.

Such an attitude of hostility only led to further misunderstandings. The suggested possibility of increased duties on grain imported into Germany was a blow levelled at the Russian interests. In May, 1887, the Czar raised the duties on all forms

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of iron and steel to what was believed to be a prohibition point, and gave a pledge that these duties should not be reduced before 1898. In November of the same year the Bank of Germany gave formal notice that it would no longer lend upon Russian stocks and bonds, and the notice was attributed to Bismarck, who was, in virtue of his official position, the chief director of the bank. A temporary panic among holders of the bonds of Russia followed, and several hundreds of millions were transferred from German to French markets, as well as the office of subscribing to new Russian loans. Paris took the place formerly occupied by Germany, and the political and financial results are of too recent a date to require description. Berlin ceased to pay attention to offers from the Russian treasury, and drew to itself a large business in American securities, — a better form of investment than the bonds of Russia, Hungary, Italy or Servia, all of which were subject to depreciation by any political events.

This attack upon Russian credit was political, and may be taken either as a very farsighted act of caution on the part of Bismarck or as merely one step in that "war of tariffs" which Europe has waged for nearly twenty-five years, broken only by the extensive and complicated system of commercial treaties. For reasons that will be readily seen, Russia could indulge in tariff framing with greater freedom than could Germany. Revenue was one object; but the protection to industries to be established in Russia was an even greater one, and led to notably heavier duties on iron and steel manufactures. The prohibition of the export of grain from Russia in 1891–92 proved that Germany could obtain the breadstuffs needed by her population from other countries. But the higher rates of duty on manufactures imported into Russia were more difficult to meet, and it was asserted on good ground that German products were discriminated against, the trade figures showing a steady decline in the movement. The question came to a head in the winter of 1890–91, when the different powers were making plans for renewing the treaties of commerce. At that time the negotiations on the part of Russia were based upon

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a conviction that Germany was dependent upon Russian grain, and hence for its own safety should make concessions in its duties on grain, in return for which, however, no claims could be made for lower Russian duties.

This proposition was promptly rejected by Germany, and a second scheme was framed at St. Petersburg, under which important reductions in the German agricultural duties were to be made, in exchange for a promise on the part of Russia that existing customs duties on a limited number of articles should not be altered for some years. As the existing duties were particularly objectionable to German interests, in fact almost prohibitive, the second plan met with no greater favor than had the first. The famine year came and gave a new turn to the negotiations. Russia asked Germany to prepare the outline of a treaty; and the abolition of the differential treatment of articles imported over the German-Russian border, as compared with importations through the Russian Baltic ports, as well as the granting of full most-favored-nation rights for Finland, were demanded as necessary preliminaries. Although Russia conceded those points, no agreement was reached, and so many differences developed that the Russian government gave notice that the maximum tariff would be enforced against Germany from August 1, 1893. Germany retorted by raising all duties on Russian products by one-half, and this tariff war was inaugurated at the very time the Russian fleet was on its way to Toulon to call forth a demonstration of a union between France and Russia, involving important questions for the Triple Alliance and Great Britain.

Fortunately this tariff war was of short duration and was determined by the signing of a treaty of commerce in January, 1894. Short as it was, the results were far reaching, and affected the grain interests of the United States. The imports of wheat from Russia into Germany were 768,029,000 kilos in 1891, 257,299,000 in 1892 and only 21,636,000 in 1893. The imports of rye fell from 729,334,000 kilos in 1891, to 123,377,000 in 1892 and 95,920,000 in 1893. The United States came forward in 1892 to make good the deficit in German

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

imports and benefited by the demand; but trade resumed its normal course after the peace between Germany and Russia. Schaeffle is reported to have said of this commercial war that it was a "weapon with which it would be impossible to trifle long, without the risk of changing it from a matter of cargo to a matter of cold steel."

Enough has been said to show that, however much an autocracy may gain in energy and power of execution, there are corresponding dangers of abuse of this power. The ukase of the emperor gave a nominal freedom to the serfs, but could not bring prosperity in the face of ignorance and a crushing system of taxation. The imperial decree has fostered industry through protective duties until the government feels obliged to come to the assistance of the inflated enterprises and, as in the case of the sugar interests, practically control the sale and enforce an export of what is looked upon as a surplus product. In tariffs and in transportation it is the will of the emperor that acts; and the incident of the tariff war with Germany shows how far a policy of exclusion may be carried, regardless of commercial interests. The sugar situation in Russia is a normal outcome of an extreme protective policy, where the state assures the industry an extravagant profit on sales in the home market, while fostering an export interest at prices which on their face yield no profit but involve an actual loss. The peasant foots the cost, and the demands now made of him are beyond his ability. He is still bound to the land through poverty and not through serfage. Finally, the treasury of Russia is supplied, not by the resources of the empire, but by periodic appeals to foreign markets; and the direction of these appeals has been governed by political, not by financial, considerations. It was first English investors, then German bankers, and now it is French financiers who take up these Russian loans. Do these characteristics of Russian economy demonstrate a powerful and self-reliant state?

WORTHINGTON CHAUNCEY FORD.

BOSTON, MASS.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TAXATION IN THE PHILIPPINES. II.

III. Indirect Taxes.

1. *Customs Duties.* — The revenue from the custom house assumed comparatively little importance in the Philippines until well into the nineteenth century. In theory, the ancient *almojarifazgo* — an ad valorem duty on both imports and exports, established for all Spanish colonies by the laws of the Indies — applied to the Philippines as soon as they were acquired. A custom house was established by Legaspi in 1573; but the reservation of the royal rights in trade and the many grants of exclusive privileges and of exemptions, together with the restriction of trade to enumerated wares and routes, limited the growth of commerce and practically cut off all revenues from customs duties.

The laws which established the *almojarifazgo* were modified to suit the conditions peculiar to the Philippines as early as the beginning of the seventeenth century and, as thus modified, they continued in force with few material changes until 1789.[1] The peculiar conditions which required this modification were the position of Manila as a possible emporium for the collection of Chinese and other Asiatic wares, and the custom of shipping these goods *via* New Spain (Mexico). The *almojarifazgo*[2] was payable in gold or silver coin or bullion. So far as it affected the commerce of the Philippines, it amounted to: (1) fifteen per cent on all goods from Spain or New Spain sent to the Philippines, five per cent payable on the departure of the vessel

[1] In 1734 there was established a board of valuations, the precursor of the Tariff Board of 1828, of which mention is made in the text below. See laws 22 and 23 in title xv, bk. viii, of the Recopilación de las Indias, for earlier rates.

[2] The term *almojarifazgo* is identified with the romantic period; it does not appear in the laws or royal orders after 1789 except when reference is made to the ancient laws; its equivalent in modern usage seems to be *los derechos de aranceles.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from the home port and ten per cent on arrival in the islands, except on wines, which paid ten per cent at the beginning and another ten per cent at the end of the journey; (2) three per cent on all goods imported into the islands from any other sources, except on merchandise brought by Chinese, which paid six per cent; (3) ten per cent upon all Chinese and other Asiatic wares exported to New Spain; and (4) three per cent on all other goods exported from the islands. The trade of the islands consisted almost solely in the barter of native products for Chinese, Indian and Persian wares, and the shipment of these and a few insular wares to New Spain for a return cargo of Spanish or American merchandise and of gold or silver. Had commerce not been restricted in so many ways, the various duties on the ordinary trade would have been: three per cent on the island products taken by the Chinese, six per cent on the goods which the Chinese gave in exchange, ten per cent on the same goods when exported and fifteen per cent on the return cargo. Such of these duties as were paid did not necessarily accrue directly to the benefit of the island government but went into the royal exchequer; for all through the romantic period of Philippine commerce, which closed in 1815, when the last state galleon left Acapulco for Manila, the treasury of the colony was a disbursing branch of the royal treasury of Spain, and the expenses of the insular government regularly exceeded the revenues of all kinds which were collected in the islands.

A very important part of the trade of the islands was conducted by the royal government itself. The tribute, wrung from the natives and usually paid in the products of the islands, was bartered on behalf of the royal treasury at the royal stores in Manila for Chinese, Indian and Persian goods; and these wares, sent to Acapulco in the famous *naos*, constituted a partial return for the 250,000 *pesos* in coin which the Mexican treasury remitted each year for the support of the insular government.[1]

[1] It is interesting to note in passing that these shipments, which continued for over two centuries with considerable regularity, furnished a large part of the supply of Mexican dollars for the Orient and assisted materially in giving that coin the extensive currency it still enjoys on the Asiatic coast.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The only revenues, in the form of a tax on the external commerce of the islands, which accrued to the benefit of the Philippine government were the port and anchorage dues. These were contributed mainly by the Chinese, whose junks arrived in the spring with wares to barter for the products of the islands. As this source of revenue failed on the expulsion of the non-Christian Chinese in 1755, recourse was had to a special export duty; but the collection of this tax met with the opposition of the friars, who claimed the same exemption in this case as they enjoyed from the *almojarifazgo* under the laws of the Indies, and was soon suspended.

Outside of the business conducted by the royal stores, the monopoly of all trading privileges was first vested in the *consulado*, a close corporation of Manila merchants, and afterwards was controlled by the *Compañía Guipuzcoana de Caracas*. Spanish subjects were not permitted to send vessels to China but were permitted to buy goods brought to the islands in the Chinese junks. All export trade other than that conducted by the Chinese was confined to the Acapulco galleons and to certain enumerated wares, the list of which was changed from time to time to suit the wishes of the Spanish merchants and producers in the peninsula. Under this régime the amount of duties paid in the islands was necessarily small.

A new era began in 1785, with the establishment of the *Real Compañía de las Filipinas* and the opening in a limited way to Spanish and Philippine merchants of direct trade between Europe and Manila and between Manila and the Asiatic coasts; but the privileges of this company did not extend to the trade between Manila and Acapulco, which continued as of old in the state galleons. This Royal Company, mismanaged from the start, was finally deprived of its privileges by royal decree in 1830. With it ended the greater part of the mediæval restrictions on trade; for in 1834, by virtue of a royal decree, dated July 26, 1832, the port of Manila was opened to foreign merchants under the general code of commerce which had gone into effect in Spain in 1829.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The rates of the *almojarifazgo*, as has just been explained, varied (1) with the origin of the wares and (2), in the case of wines and Chinese merchandise, with the character of the goods. These two characteristics contained the germs of a classification of imports and exports which finally grew into the elaborate tariff, or *arancel*, according to which duties were levied in these islands when the United States took possession. Since trade was conducted under various monopolies, largely by barter and without an open market, it was often difficult to determine accurately the values upon which the duties should be assessed. Hence, it early became necessary to fix arbitrary official values upon which the duties were to be calculated, and thus it came about that the duties, although ad valorem in form, were in fact specific. Originally the values as declared were passed upon by a board, especially constituted in each case, which was composed of one royal officer and two merchants named by the governor, with the royal *fiscal* (attorney for the crown) as intervener. After 1734 there was a permanent board of valuations, which from 1828 on was known as the *junta de aranceles* (tariff board).

At first the values were supposed to be determined with reference to the true values prevailing at the time of the importation. But such a valuation, once made, became a precedent for the assessment of subsequent importations of the same goods, until finally it became the practice to publish tables of "official values" for all imported wares. In 1828 his Majesty, moved by the "deplorable state" into which "the importations as well as the exportations and the coasting trade" of the islands had fallen, authorized the appointment of a permanent tariff board (*junta de aranceles*) in Manila.[1] This board was directed to proceed at once to the formation of a tariff of the duties which should be paid in the future. It was instructed to take into consideration the kind of wares and the circumstances under which they were imported or exported — that is,

[1] The *junta de valoraciones* of 1734, above referred to, was suppressed in 1782; and between that date and 1832, when the tariff prepared by the new board went into effect, all trade was in the hands of the Royal Company of the Philippines.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whether they were Spanish or foreign products, whether they came under the Spanish or a foreign flag and whether they were placed in storage or intended for immediate consumption. In the arrangement of the duties the board was to be guided by the following purposes: (1) to increase the revenue of the exchequer, (2) to nourish and to protect especially the agriculture and the arts of the islands and (3) to offer all needful encouragement to the increase of both national and foreign commerce.[1] In view of the restriction under which the commerce of the islands still labored, these instructions were liberal indeed. This board continued in existence, as a board of appeals in all matters relating to assessment under the tariff, down to the American occupation.

The tariff framed under these instructions[2] enumerated over 1100 different classes or articles of import, fixed their values per unit of weight or measure, with but few exceptions, and established four rates per cent of duty for each article. The first or lowest rate was for Spanish[3] goods imported in Spanish vessels, the second for Spanish goods in foreign vessels, the third for foreign goods in Spanish vessels and the fourth for foreign goods in foreign vessels. The great majority of the goods imported were dutiable at the following rates, according as they fell in one or another of the four classes just defined: (1) 3%, (2) 8%, (3) 7% and (4) 14%. In the case of spirits these rates were: (1) 10%, (2) 25%, (3) 30% and (4) 60%; except Spanish rum which paid: (1) 3% or (2) 8%. Beer and cider paid (1) 3%, (2) 10%, (3) 20% and (4) 25%. For vinegar and wines; certain kinds of cotton, linen, silk and woolen tissues; certain kinds of mixed tissues; olives and olive oils; boots and shoes; sweet potatoes, onions, beans, preserved fruits, salt fish and a few other articles of minor importance the rates were: (1) 3%, (2) 8%, (3) 40% and (4) 50%.

The free list contained only trees and shrubs for horticulture, unwrought gold or silver, gold or silver coin, unwrought

[1] Royal order of April 6, 1828. [2] The tariff went into effect January 1, 1832.
[3] Including all Spanish possessions. The differential in favor of Spanish ships originating in the *almojarifazgo* had been revived in 1818.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

paving stones, horses for breeding purposes, goats, young bulls and two kinds of cotton thread. A few foreign products —namely, reeds, birds' nests and tortoise shell, all from Joló and the islands to the southwest[1] — enjoyed the low duty of two per cent, while diamonds and brilliants came in at one per cent. In 1828 all machinery and instruments required for agricultural operations were admitted free of duty,[2] and that privilege was continued until 1891.

The government was not slow to discover that in the power to fix the values upon which these rates were to be levied it possessed the opportunity to raise or lower the duty; and many marked instances of discrimination against foreign wares, made in this manner, can be found in the tariffs. This was largely the case among textiles. Lawns, for instance, were valued officially at twice their market price. By this means, as well as by the use of high nominal rates, protection was afforded to native industries. Thus, cotton goods of texture or of color similar to those manufactured in the islands paid a duty of from fourteen to fifty per cent, according to grade, upon a relatively high valuation; while cotton thread of red, yellow, flesh color and green, colors not produced by native dyes, was admitted free.

Although but fifteen articles of export were enumerated in the tariff, everything exported was subject to a duty except gold, silver and tobacco for Spanish ports. Articles not enumerated paid 1% if exported under the Spanish flag, 2% under a foreign flag for the peninsula and 3% under a foreign flag and for a foreign port. Silver coin for a foreign port paid 2% under a Spanish flag and 4% under a foreign flag. Hemp exported paid the following rates: (1) in Spanish vessels for a Spanish port, 1%; (2) in Spanish vessels for a foreign port, 1½%; in foreign vessels for either (3) a Spanish or (4) a foreign port, 2%. Rice paid the following duties in the same classes:

[1] Low rates on these wares were given to encourage trade with China.

[2] Royal order of April 6, 1828. This order relates to the encouragement of agriculture in general and is not to be confused with an order of the same date relating to the tariff.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(1) free, (2) free, (3) 2% and (4) 3%; and when exported in foreign vessels paid 1% additional, after 1831, for the support of the asylum for the poor of San José. The rest of the enumerated articles, all of them from Joló, enjoyed a rate of only ½% if exported in Spanish vessels.

One of the most striking results of this commercial policy was that, while Spanish ships brought nearly all the imports, most of the exports sailed away under foreign flags. Thus, in 1854 the imports under the Spanish flag were 5,544,844 *pesos*, against 210,482 *pesos* under foreign flags; while the exports were almost exactly the reverse, namely, 213,656 *pesos* under the Spanish flag and 5,138,691 *pesos* under foreign flags. At the same time, it is also true that, as the Spanish statistician who compiled the first printed report[1] on the Philippine trade acutely pointed out, more than half the trade of the islands sailed under the Spanish flag.

The above analysis gives the chief characteristics of the Philippine tariff down to 1891. There were a number of revisions of rates and classes between 1828 and 1891;[2] but as no new principles were introduced, an enumeration of all the changes would be both tedious and uninstructive. Among the most important changes was the exemption of rice and paddy from the import duty, made in 1857. Prior to that date rice had been an article of export, rather than of import, but after that it became an article of import the amount of which has steadily increased; while the exportation of the great staples in the production of which these islands possess such decided advantages — namely, abaca, sugar, tobacco and copra — increased with even greater rapidity. Exemptions were also granted in favor of agricultural machinery, of rails, machinery,

[1] Balanza Mercantil de la Renta Aduanas, 1854. These reports were published annually and afterwards developed into the Estadística General del Comercio Exterior de las Islas Filipinas. All statistics in this article concerning exports, imports and duties collected under Spanish rule since 1854 are from these reports.

[2] The most important revisions were in 1860 and 1870; for these and other changes, see royal orders of Nov. 21, 1860, Oct. 16, 1870, Nov. 24, 1875, Dec. 7, 1875, Nov. 21, 1878, Jan. 26, 1880, laws of June 25, 1880, March 24, 1884; *Circular de Rentas*, May 18, 1886.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cars and other supplies for railroads and tramways, of machinery for certain industries, of books and scientific instruments and a few other articles of lesser importance. The farce of levying virtually specific duties under the guise of ad valorem duties was abandoned in 1870, and most of the duties were calculated with reference to quantity, not value, although a few purely ad valorem duties were retained. This revision was coincident with the opening of the Suez Canal, which was an event of the greatest importance to the commerce of the Philippines. From the spring of 1870, when the first steamer arrived by the new route, dates the period of the greatest prosperity for Manila prior to the battle of Manila Bay.

The revised tariff of 1891, which was in force at the time of the American occupation, and which remained in force until November 15, 1901, contained some new features. The most striking changes were: (1) the entire exemption of all Spanish merchandise imported under the Spanish flag from the payment of duties, (2) the increased protection afforded to the market in the islands for Spanish wares and insular products, (3) the entire abandonment of all ad valorem duties and (4) the reduction and practical abolition of the free list.

The protective features of this tariff are well illustrated in the case of cotton and cotton manufactures. On raw cotton the duty was reduced from nine *pesos* per 100 kilos to 0.24 *peso* per 100 kilos, while the duties on cotton textiles were generally increased by amounts varying from five cents to twenty-two cents (Mex.) per kilo. The production of cotton for other than household use has been largely abandoned in favor of more profitable crops, but the natives are skilled in the weaving of cotton stuffs in many varieties. Since both raw flax and the linen textiles compete directly with native fibres and textiles (*jusi* and *sinamay*), the duties on both were increased — on the raw material from three *pesos* to six *pesos* per 100 kilos and on the manufactured stuffs by corresponding amounts.

The United States military government in the Philippine Islands reopened the customhouse at Manila on the 20th of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

August, 1898. The Spanish tariff of 1891 was continued in force, as well as such other charges and fees as had been in force just prior to the American occupation. These additional charges were of no little importance. They consisted of: (1) a surtax for harbor improvements in Manila, levied upon all imports, (2) a so-called ad valorem tax on imports, (3) consumption taxes on certain goods, (4) a number of miscellaneous charges and fees and (5) duties upon exports.

At the time of the establishment, in 1880,[1] of the board for harbor improvements (*junta de obras de puerto de Manila*) it was provided that this board might collect a tax equal to twenty per cent of the regular duties and in addition thereto. This tax was at first collected in Manila alone, by the employees of the board and not by the customhouse officials; and it was also levied upon Spanish goods, notwithstanding that they were exempt from the specific duties of the regular tariff. Goods coming from other ports in the islands were, however, exempt. The practice of evading this tax by entering the goods at some other port in the islands and then sending them on to Manila as goods belonging to the inter-island traffic led, in 1891, to the extension of the collection of this charge to all the ports of entry in the islands. On account of this extension the rate was reduced from twenty to ten per cent and the collection was thenceforth made by the regular customhouse officials. Thus the specific duties were practically increased by ten per cent of their original amount.

From the very beginning of government in the Philippines it was the practice to levy special taxes on vessels frequenting the ports. This policy seems to have originated in the endeavor, in early days, to make the Chinese contribute to the support of the government, and these charges seem to have been

[1] Prior to this date there had been a small tonnage tax for dredging (*derecho de limpia*) levied on vessels entering the port of Manila. This tax, with the *farola* (a tax for lighthouses) and a similar tonnage tax for the captain of the port, was merged into a tonnage tax, known as the navigation tax (*impuesto de navegación*), by decree of the superior government, Nov. 21, 1876. The proceeds of the *depósito mercantil*, although generally devoted to the building of lighthouses, might also be diverted to this harbor improvement fund.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regarded as more or less equivalents of or substitutes for export duties. They were not levied continuously but were revived from time to time, as the exigencies of the treasury demanded. The last series of experiments with these taxes, taking the guise of expense charges for loading and unloading (*carga* and *descarga*), began in 1890, and ended in 1896 with a *descarga* of two per cent ad valorem. The tax was based, as was the practice with the older customs duties, upon a table of official values, which was drawn up for the purpose under the authority of the royal decree of August 16, 1895. In 1897 a war tax of six per cent additional was levied in the same manner.[1] Both of these taxes were in force at the time of the American occupation and came to be known by our officials as "the eight per cent ad valorem tax," being added together, without reference to the original purposes.

Consumption taxes upon special classes of goods, added to the customs duties and levied in the same manner, were established in 1896. They were levied at specific rates upon spirituous liquors, beer and cider, salt, vegetables, flour and mineral oils. These also, being in force at the time of the American occupation, were continued by the United States military government.

There were, therefore, three distinct taxes levied upon all imports and four upon those just enumerated. To illustrate the way in which these additional taxes modified the original specific duties, we may take the case of the importation of 100 kilos of salt. The various charges and the total duty would be calculated as follows:

	Pesos.
(1) Specific duty (*derecho de arancel*)	0.650
(2) Surtax for Manila harbor (10% of above duty) . . .	0.065
(3) 6% plus 2% ad valorem (on official value of 0.40 *peso*)	0.032
(4) Consumption tax	1.000
Total duties	1.747

It can readily be imagined how much annoyance, friction and misunderstanding the separate calculation of each one of these

[1] Royal decree of Aug. 14, 1897, and order of General Rivera, Aug. 20, 1897. Spanish goods were not exempt.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

items involved. United States merchants, especially, were prone to look up the specific duty and ignore the surtax, the ad valorem duty and the consumption tax, and often objected vigorously to paying so much more than their original estimate. Yet, although the total duties on any one article never varied per unit of weight or other measure, the Spanish system of a separate calculation of each of these duties was continued for two years by the American administration, and it was not until September, 1900, that a tariff list showing the combined duties was published.

The miscellaneous charges, above referred to, which laid an additional burden upon trade, were generally levied against the vessels. They consisted of wharf charges and harbor dues of one and one-half *pesos* per ton of 1000 kilos on all exports, and of one-half *peso* per ton on imports intended for transshipment to other ports in the islands. There were also lighthouse dues of 0.10 *peso* per net ton and certain stamp taxes on the ships' papers amounting to about four *pesos*.

One of the most interesting of the older miscellaneous charges on commerce was the average (*avería*), established for all Spanish trade in 1528 and finally abolished in the Philippines in 1871. In its final form this was an ad valorem tax, the proceeds of which supported a commercial court, while the surplus was paid into the lighthouse fund. Its name is significant of its history. It originated in those days when the enemies of Spain made the ocean so uncomfortable for her merchant ships that they were accustomed to sail in fleets, accompanied for protection by one or more war vessels. The cost of this protection was divided as an average between the ship and her cargo, in much the same manner as a partial loss is distributed in marine insurance to-day. Later the passengers were also included in this distribution of costs. This average early became a tax at fixed rates.[1] It was introduced into the archipelago by virtue of the royal *Cédula* of

[1] At one time the rates were twelve per cent for merchandise other than gold and silver, which paid two per cent, and twenty ducats for passengers. For further details concerning this interesting tax, see the Recopilación de las Indias, bk. ix, title ix.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

December 19, 1769, which established a court of the first instance for hearing commercial cases.[1] Its administration was at first in charge of this court but in 1832[2] was transferred to the customhouse. The *avería* at this time amounted to one per cent on Spanish goods imported under the Spanish flag and two per cent on foreign goods imported under a foreign flag. The yield was about ten per cent of the regular duties. After 1858 it appeared for twelve years in the general budget, having been turned over to the treasury, and the receipts each year ranged from 100,000 *pesos* to nearly half a million. It disappeared after the tariff of 1870 went into effect; but all through its history it maintained its original character as a special fee for special protection or services rendered to commerce by the government, either by the navy, by the court or by the lighthouse service.

Export duties were in recent years levied upon the principal exports only — namely, hemp (*abacá*), indigo, rice, sugar, copra and tobacco — and were specific. The rates were low, and yet the revenue from this source was considerable, amounting in one year to 700,000 *pesos*.

A calculation made in 1900 of the burden which the tariff laid upon the imports of the islands showed that under the Spanish administration in 1894 the amount of duties paid was about sixteen per cent of the declared value of the goods imported. Spanish goods free of duty were excluded from the calculation. This was before the ad valorem rates were levied. The same calculation made the burden in 1900 twenty-three per cent, which corresponds fairly well to the above result, if allowance be made for the additional eight per cent ad valorem then collected. This calculation was necessarily inaccurate, as the declared values were intermingled with the official values and neither of them had any necessary relation to the market values. It is, however, safe to conclude that the duties exceeded twenty per cent of the value of the imports.

[1] Known until 1830 as the *Consulado de Manila* (not to be confused with the body of privileged merchants of older times), afterwards as the *Tribunal de Comercio*.

[2] Royal *Cédula* of July 26.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This burden was most unevenly distributed. The following list of articles taken from those most largely imported shows the operation of the tariff in some of its most interesting phases[1]: on raw cotton the duties were 6% of the declared values; cotton yarn, 15.6%; manufactured cotton goods, 25.6%; rice, 18.2%; glasswares, 9.1%; paper, 19.3%; wines, 24%; flour, 20.2%; books, 6.5%; raw iron, 19.3%; cutlery, 16.6%; machinery, 15.8%; opium, 33.4%; spirits, 44%; malt liquors, 36.2%; matches, 19.6%; silks (manufactured), 20.8%; cocoa, 12%; prepared foods, 9.4% (but the duties were practically prohibitive on the cheaper grades of canned goods); earthenware, 15%; petroleum, 127.2%; paints, 8.1%; shoes, 18.8%; meat, 29.5%.

The Spanish tariff fell lightly on luxuries and heavily on necessities. The typical native's dress is of cotton cloth and his food is mainly rice, and these paid 25.6% and 18.2%, respectively, while silks and prepared foods paid 20.8% and 9.4%, respectively. It strikes one as an anomaly that the duty on beer should be 0.093 *peso* per liter when champagne paid only 0.355 *peso* per liter. In many cases this discrimination arose from the application of specific duties to classes which contained both low-priced and high-priced goods. Thus, the rate was the same for a fine pair of shoes as for a coarse pair, for a cut-glass decanter as for a lamp chimney, and a $125 typewriter paid less than a $10 letter press. In other cases the same discrimination arose from the grouping of articles according to their component materials — which threw, for example, clockworks and horseshoes together at the same rate.

The commerce of the islands has increased with phenomenal rapidity since the American occupation, and the customs duties are the principal source of revenue. The best year under Spanish rule was 1894, when the total imports reached 28,529,777 *pesos*. The imports for 1899, with only three ports of entry, two of which were closed part of the year, and with the insurrection at its height, amounted to 42,176,362 *pesos*, exclusive of goods imported by the subsistence and quartermaster's departments for the use of the army. During 1900 they

[1] All statistics refer to the imports of 1899.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

reached 55,544,366 *pesos*. That is, they were forty-seven per cent greater the first year and nearly one hundred per cent greater the second year than under the most favorable circumstances during Spanish rule.[1]

IV. MONOPOLIES.

1. *Stamp Taxes.* — The royal monopoly of the sale of stamped paper for all public and legal documents dates from 1638.[2] After passing through many vicissitudes and changes, even being farmed out for a time, these taxes took, by virtue of the royal decree of May 16, 1886, the form in which they were inherited by the American government.

Although distinctly taxes on fortuitous gains and legal transactions, the *efectos timbrados* were always classed among the monopolies, or *rentas estancadas*. Originally the taxes were collected by the sale of stamped paper upon which it was required that all legal documents be written, and the principal features of the original law are still in force to-day.

The law of 1638 provided four classes of stamped paper, costing (1) twenty-four *reales*, (2) six *reales*, (3) one *real* and (4) one *cuartillo* per sheet. The first two classes were folded sheets, the last two, single sheets. Paper of the first class was to be used for all official communications of "grace or favor" given in the provinces of the Indies by the Crown's "Viceroys, Captains General, Mayors (*Corregidores*) and all other ministers of justice, war or revenue." If such documents required more than one sheet, the second and following sheets might be written on stamped paper of the third class. Stamped paper of the second class was to be used for the first sheets of all powers of attorney, wills and contracts of any kind or form which had to be attested by a notary public; other sheets might be on stamped paper of the third class. Stamped paper of the third class was to be used for the first sheet of all judicial matters heard by the Crown's "Viceroys, Chancellors,

[1] For the details of this marvellous growth, see Report of General McArthur of June 1, 1901, Exhibit P. [2] Recopilación de las Indias, bk. viii, title xxiii, law 18.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Supreme and other courts or by any judge or justice in the Indies"; other sheets might be on common paper. Stamped paper of the fourth class, subsequently known as "official paper," issued gratis to government officers, was to be used for official communications and for documents the cost of which fell upon paupers and natives.

In the course of time the number of different classes of stamps was increased, but the original four groups were maintained, while two new general groups were added — one for commercial documents, such as drafts, bills of exchange, clearing-house certificates, *etc.*, and another for "payments to the state."

The purpose of the last-named paper was to avoid the handling of public money by clerks of the courts and other persons not regularly authorized to make collections under the internal revenue system. Thus, for example, in the payment of a fine imposed by a court or of administrative fines, the person making the payment would purchase stamped paper of this character equal in value to the amount of the fine. The stamped paper so purchased was separable into two parts, and after the cause for payment had been separately noted on each part it would be cut in two, one piece being retained by the officer to whom the fine was paid and the other being retained by the person fined, as his receipt.

Adhesive stamps were used for insurance policies, drafts, checks, receipts, accounts, customhouse clearances and the like. Stamped paper ranged from a nominal value of 0.05 *peso* per sheet for official paper to twenty *pesos;* paper for "payments to the state" from 0.005 *peso* to fifty *pesos;* adhesive stamps for drafts, *etc.*, from 0.05 *peso* to fifty *pesos.* Postage stamps, stamps for the prepayment of telegrams, cablegrams,[1] *etc.*, were under the same administration.[2]

The amount of stamps required for any one document is determined: in contracts, by the value of the consideration

[1] Almost the entire revenue from this source was expended in payment of subsidies.

[2] There were fifty-three different kinds of stamps provided for by the law of 1886. New issues were originally made every two years, so that the Philippines will prove interesting to the stamp collector.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

expressed; in wills, by the amount bequeathed; in case of commissions, by the salary of the position; in the case of commercial documents, by the value of the draft, bill of exchange, *etc.*; in other cases generally, by the character of the document and the number of pages, of twenty-four lines of seven words each, contained in the document written on the stamped paper. Receipts and accounts current used in place of receipts pay ten cents, when the amount for which they are written exceeds fifteen *pesos*. Instruments not stamped are not admitted in evidence, and the persons responsible for the failure to stamp the same are subject to heavy penalties.

A number of judicial and administrative fees and miscellaneous charges, for the issuance of documents, copies, certificates, titles and commissions not included in the regular stamp taxes, were usually grouped with the stamps in the accounts.

2. *Papal Bulls.* — Of the older branches finally merged into this source of revenue one of the most interesting was that from the sale of papal bulls or indulgences. This, like the tithe, was one of the revenues which passed to the Crown on its assumption of the burden of supporting the church. The bull sold in this way was known as the "bull of the sacred crusade" (*bula de la Santa Cruzada*), because it granted to those who fought against infidels and heretics for the extension of Spain's dominion in the islands of the sea the same indulgences which the popes were accustomed to grant to those who went on a crusade for the conquest of the Holy Land. In 1609[1] the management of these taxes was placed in the hands of a specially constituted board, known as the *tribunal de cruzada*. The proceeds of the sale of the sacred bull were, according to the *ordenanzas* of the *intendentes*,[2] to be devoted to the expense of maintaining prisons and fortified places to "protect the inhabitants from the insults of the uncivilized Indians" and to the support of church missions.

The preaching and publication of the bull, which occurred every second year, "both on account of the great distances and

[1] Royal *Cédula* of May 17.

[2] Article 154, and papal letter of March 4, 1850.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

because the original indulgences were for two years,"[1] was a matter of great ceremony.[2] In 1813 there were fourteen different rates fixed for the "alms which should be contributed in the colonies," varying from two *reales* to fifteen *pesos*, according to the character of the indulgence granted. In 1890 the sale of bulls by the state was discontinued and taken over by the church, through which it is still continued. Although it yielded the state never over 200,000 *pesos* per annum, and in the last year less than 8000 *pesos*, this tax was capable of yielding over a million per annum if the intent of the law had been enforced.

3. *Ancient Monopolies.* — While claiming, and to a certain extent enforcing, the royal right to the profits of all commerce and industry in the colonies, the government of Spain singled out from the very first certain articles in which all traffic save that carried on in the name of the Crown was prohibited. Among these were originally quicksilver,[3] salt,[4] playing cards[5] and corrosive sublimate.[6] None of these ever assumed any great importance. Others were, however, added later; and among the latter the most important were explosives,[7] spirituous liquors,[8] tobacco[9] and opium.[10]

4. *Spirituous Liquors.* — The monopoly of the manufacture and sale of *vino*, the native liquor distilled from fermented

[1] By declaration of Pope Gregory XIII, dated Sept. 5, 1578.

[2] See royal *Cédulas* of Feb. 11, 1592, Sept. 11, 1750, and April 26, 1773, and the royal order of Sept. 17, 1784.

[3] Recopilación de las Indias, bk. viii, title xxiii, laws 1 to 12, abandoned by royal order of May 23, 1845.

[4] *Ibid.*, bk. viii, title xxiii, law 13, never universal, abandoned by royal orders of June 14 and 16, 1869.

[5] *Ibid.*, bk. viii, title xxiii, law 15.

[6] *Ibid.*, bk. viii, title xxiii, law 16.

[7] Established by royal order of July 18, 1805, which provided for a government factory. Reorganized by royal order of Jan. 22, 1828, which provided for the manufacture by a private firm and sale by the government. The monopoly was abandoned by royal order of June 17, 1864.

[8] Established in 1712, the monopoly was abandoned in 1864. (See decree of the *Superintendencia*, May 14.) For the general character of the monopoly, see the report which accompanied the budget in 1839.

[9] Established in 1781, put into operation in 1782, finally abandoned Dec. 31, 1882, after one century of existence.

[10] Established in 1847.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cocoanut sap or from *nipa* sap, and afterward of rum and other liquors was alternately managed by the government and farmed out until 1780, after which it remained under public administration until 1864. At first this branch of the system produced a revenue of 10,000 *pesos* per annum; the last year it was farmed out it yielded 51,000 *pesos;* in 1812, 142,000; in 1820, more than 200,000; in 1830, 288,000; in 1835, 400,000; and in 1860 the revenue exceeded 1,000,000 *pesos*. One of the original purposes of this monopoly was to restrict the consumption of spirituous liquors among the natives. This purpose was abandoned after 1839, when it was discovered that a reduction in the price increased the net returns, and the government from that time on, "superior to all vulgar considerations," as Friar Buzeta puts it, proceeded to encourage consumption with the incidental result of increasing the receipts of this "rent." In spite of this, the natives remain even to this day models of sobriety, so far as the use of such liquors is concerned.

After the abandonment of the monopoly the government established a license tax on the manufacture and sale of alcoholic liquors, at rates ranging from 12 to 300 *pesos*. This tax was finally merged into the income tax.

5. *Tobacco.* — By far the richest of the state monopolies in revenue-producing capacity was the tobacco monopoly, which, moreover, proved not less important as a factor in the general economic development of the islands than it was for the treasury.[1] The establishment of this monopoly met with stubborn resistance on the part of the natives. They looked upon tobacco as a prime necessity, being accustomed to its use almost from infancy, and naturally objected to the limitation of its cultivation and sale.

The maintenance of this monoply involved: (1) the prohibition of the cultivation of tobacco outside of certain districts;

[1] It is foreign to our present purpose to discuss the economic aspect of this monopoly; for such a discussion, see Foreman, The Philippine Islands (2d. ed., New York, 1899), pp. 342 ff. Possibly the best official account of the monopoly, although inaccurate in many details, is that given in the report which accompanied the budget in 1839, reprinted in Zamora, *Biblioteca de legislación ultramarina* (Madrid, 1864), vol. vi, pp. 12 ff.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(2) the strict regulation of the amount to be raised within those districts, which in turn, on account of the inertness of the natives, involved compulsory labor on the part of those once engaged in its production; (3) the prevention of contraband sales, whether of tobacco taken from the crop permitted to be raised or of other tobacco; (4) the purchase of the entire crop by the government at a price determined by the authorities; (5) the inspection of the growing crops; (6) the inspection and classification of the product as to quality; (7) the preparation of the tobacco under government supervision; (8) the manufacture of cigars, cigarettes, *etc.*, in government factories; (9) the prohibition of the exportation or importation of tobacco except by the government; (10) the collection and purchase of as much as possible of the tobacco raised in districts not fully under government control.

At first the cultivation of tobacco was confined to the district of Gapan, in the province of Nueva Ecija, to certain districts in the Cagayan valley and to the little island of Marinduque. It was not until after 1828 that it was found that the tobacco from the Cagayan valley was both better in quality and cheaper to raise than that of Gapan. Before the close of the monopoly the authorized tobacco-planting districts were in the provinces of Cagayan, La Isabela, La Unión, Abra, Ilocos Sur, Ilocos Norte and Nueva Ecija, all in northern or north-central Luzon. Collections of tobacco raised without government supervision were made in the Visayas after 1840 and among the Igorotes of the north after 1842.

The income and the expenditures of the tobacco monopoly were the largest items in the budget. In 1880–81 the gross receipts amounted to 6,571,200 *pesos*, against which were charged: for tobacco purchased, 1,548,110 *pesos;* other materials, 28,614 *pesos;* expenses of collection, 80,473 *pesos;* cost of manufacture, 1,304,061 *pesos;* cost of supervision, 152,882 *pesos;* other expenses, including estimated proportion of expense of the general administration of all monopolies, 50,000 *pesos*[1]; leaving a net revenue of nearly 3,500,000 *pesos*.

[1] The expenses of all the *rentas estancadas* were run into one account and, as they were under one administration, the exact segregation is no longer possible.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

6. *Opium.* — The sale of opium was declared a state monopoly in 1847.[1] Since 1828, however, the law had required that all opium raised in the islands, whether for local consumption or for export, should be deposited in a customs warehouse and on its withdrawal should pay a tax of twenty-five per cent on its value at the price current in China.

This monopoly was managed as a farm, the privilege of establishing smoking dens being sold for two years at public auction. The regulations and management of the farm were much the same as prevailed in other European colonies in Asia. Only male Chinese were allowed to frequent the smoking dens and to purchase opium for smoking. Its use by natives, by women and by *mestizos* was strictly prohibited. The contractor was permitted to arrest and prosecute any person dealing in contraband opium, and all opium not placed on sale by the contractor was declared to be contraband. The contractor alone could import opium, subject to a tax of forty *pesos* per chest, in addition to the regular customs duties. In 1893–94 the opium contract yielded a revenue of over 500,000 *pesos*.

7. *Cockpits.* — The necessity for police regulation of the crowds which gathered at the cockpits in pursuit of the favorite sport of the Filipino, cockfighting, probably suggested the idea of making this love of sport a source of revenue, and it became one of the recognized *rentas* of the state.

By the royal order of March 21, 1861, approving the regulations established for the government of cockpits, the enjoyment of the sport outside of the public cockpits was prohibited. The right to establish and conduct cockpits was sold to the highest bidder for a term of years, and the contractor was obliged to comply with the most exacting regulations concerning the arrangement and location of the pits, their capacity and ventilation, and the observance of order and of the proprieties.[2]

[1] Royal order of Sept. 18, 1847, approving the *decreto* of the *Gobernador Capitán General Subdelegado de Hacienda* of Dec. 13, 1843, by virtue of which the monopoly had been established, Jan. 1, 1844.

[2] Such, for example, as that the cockpits must be conspicuously located and not more than 400 *varas* from a church (*Sic itur ad astra!*) or a municipal court; that the cockpits should be opened and fights permitted only on (1) Sundays, (2) days

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The value of the farm consisted in the right to charge admission and to collect various fees from those who entered birds in the fights. The treasury receipts from this source ranged between 100,000 and 200,000 *pesos* per annum. In 1891 this branch of the revenue was surrendered to the local governments.

V. Lotteries.

In 1850,[1] Queen Isabella II ordered the establishment in the Philippines of a periodical lottery similar to that which existed in the peninsula and in the rich *Antillas Españolas*. The lottery continued down to the American occupation, at which time it yielded a revenue of about 800,000 *pesos* per annum. The drawings then were monthly. Three-fourths of the receipts were to be distributed as prizes. A prospectus of the drawing of May 14, 1897, gives the following information: 32,000 tickets at 10 *pesos*, each divided into twentieths; 1424 premiums, amounting to 240,000 *pesos;* one prize of 60,000 *pesos*, one of 12,000, one of 8000, one of 3000, one of 2000, nine of 1000 and 905 of 100 *pesos*. All approximate numbers, in the same hundred with the one drawing any one of the five highest prizes, drew 100 *pesos* each; the number before and the number after the first prize each drew 1000 *pesos*, before and after the second 800, the third 600, the fourth 400, the fifth 200 *pesos*. The combination of approximations with the premiums in one and the same ticket was permitted.[2] Tickets not sold were played by the treasury, which had the same rights in regard to these tickets as any other player.

marked on the calendar with two or three crosses, (3) on the birthday of the king or queen or of a prince or princess of Spain, (4) on Mondays and Tuesdays in the carnival time, (5) on the third day of each of the three great festivals of the year, Passover, Easter and Christmas, (6) on three days during the festival of the patron saint of the town, and (7) on certain days during royal festivals to be designated by the government; that no person should be allowed to bet more than fifty *pesos* on one fight; that no fight should be conducted save under the presidency of the municipal captain (*gobernadorcillo*) or his legal substitute, *etc.*

[1] Royal order of January 29.

[2] That is, the greatest possible winning for any one ticket would be 61,800 *pesos*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VI. PUBLIC DOMAIN.

The most productive branch of the public domain was the sale of forestry products. Next in importance was the sale of land and the commutation (*composiciones*) collected from squatters found on the public land. The carefully guarded royal rights in mining never yielded any considerable revenue.

VII. MISCELLANEOUS.

1. *Taxation of Local Taxes and Rents.* — One of the most remarkable devices for raising revenue was the tax levied by the central government upon the *arbitrios y propios*[1] of the municipal governments. This tax was established in 1850.[2] It consisted at first of ten per cent on the *arbitrios* and twenty per cent on the *propios*. This tax yielded a revenue of about 200,000 *pesos* per annum down to 1881–82, when it was abolished. Whether it acted as a tax on the monopolists to whom the local revenues were farmed out or whether it simply redistributed the public funds, by transferring a possible surplus from the local treasuries to the central treasury, cannot at present be determined.

In the same category belongs the tax subsequently imposed on salaries and other payments drawn from the local funds. The other miscellaneous revenues are of no particular interest. With the exception of the occasional profits from the mint, they are generally mere book-keeping balances.

SUMMARY.

The most striking features in the story of taxation in the Philippines are the continuity in the development of the tax system, the antiquity of its origins and the skill and care with

[1] *Arbitrios* (grants or concessions) is a term here applied to the local taxes, fees and licenses derived from markets, slaughter houses, fisheries, fords, ferries, cattle pens, public carriages and carts, weights and measures, billiards and the like, and to the commutation of personal services. *Propios* (ownings) applies to the rental received for any public property.

[2] By virtue of the royal order of Sept. 13, 1845.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which it was ever readjusted to the conditions of the times and of the country. The direct taxes which the United States government found in operation in the islands at the time of their occupation can all be traced back, with scarcely a break in the line of evolution, to the primitive "tribute," provided for with such simple logic and stately eloquence in that impressive old law for the Indies written by royal authority in 1523[1]; the indirect taxes, in their turn, were all evolved from the simple *almojarifazgo*, whose quaint Moorish name so forcibly suggests its age; while the other revenues, all practically in the form of monopolies, either arose from the assertion of the royal rights to the profits of all trade that might be won by loyal Spanish subjects or else rested on the papal supremacy over all the converts to the Church of Rome.

The income tax illustrates the evolution of the direct taxes with remarkable clearness. It originated in the endeavor to compel the Chinese traders and craftsmen resident in the islands to contribute to the support of government more nearly in proportion to their ability than was possible under the "tribute." Once established, tested and found effective among the Chinese it was readily extended to the other classes. It was from first to last peculiarly an outgrowth of the local conditions.[2] There is much in this development which reminds us of the growth of the Prussian income tax from a poll tax.[3]

We might have expected that the old *alcabala*, or excise tax, of the laws of the Indies, which was the seed from which so many taxes sprang up in other Spanish colonies,[4] would have

[1] Quoted in rough translation at the beginning of part i of this essay.

[2] The same tax transplanted to other Spanish colonies in turn was not a success. (See Hollander, "Finances of Porto Rico," in POLITICAL SCIENCE QUARTERLY, December, 1901, pp. 554 and 556.) It seems, indeed, to have assumed a very different character on this foreign soil, as might have been expected — so different that it does not seem to have been even recognized as an income tax by so astute an observer as Professor Hollander.

[3] A strong side light is thrown upon the suitability of the income tax to the conditions which prevail in the Philippines and upon the regard in which it is held by the natives by the fact that this tax, together with the tribute, was successfully and quite generally collected by the insurgent government in all the districts over which it exercised control, and in some cases even in the towns occupied by our troops.

[4] Notably in Mexico.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

taken root in the Philippines. But the early governors were so unanimous in their opinion that this tax was unsuited to the local conditions that it was never introduced, and there was in consequence no growth of indirect internal taxes for insular purposes.

The evolution of the customs duties was equally simple and logical. Two systems of classification prevailed from the first, by the flag and by the character of the wares, and the tariff of 1891 shows the same broad divisions as the ancient *almojarifazgo*. The differences are mainly those of detail.

The trite saying that "every old tax is a good tax, because industry and trade have adjusted themselves to the burden," is all the more true when the "old tax" has grown up with the country and has been readjusted from time to time to meet the shifting conditions of economic life.

CARL C. PLEHN.

UNIVERSITY OF CALIFORNIA.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REVIEWS.

The Rights of Man. A Study in Twentieth-Century Problems. By LYMAN ABBOTT. Boston and New York, Houghton, Mifflin & Co., 1901. — xi, 375 pp.

Dr. Abbott has, as is pretty generally known, very definite opinions on all the great problems that confront civilized man to-day in his social, moral, religious and political life. These opinions are based upon certain assumptions as to the origin and destiny of man and certain convictions as to what relations of men to one another are most appropriate to this origin and destiny. The privileges and immunities which are involved in these relations and which, therefore, Dr. Abbott thinks ought to be recognized in the law and policy of every state, he calls the "rights of man"; and his volume consists of twelve lectures about these so-called rights. Four categories embrace the whole field of rights — political, industrial, educational and religious; and the separate discussion of each of these categories is followed by an application of the doctrines evolved to the current problems of American democracy.

The strong and eloquent presentation of Dr. Abbott's opinions on the various topics treated is what his reputation would lead one to expect. He is exceedingly optimistic in his attitude toward democracy; and his confidence in the United States as the instrument for the realization of democracy in its ideal aspects imbues his thought with patriotism, which is not permitted, however, to assume a chauvinistic character. He does not blink the weaknesses and defects of our policy, either historical or contemporary; he by no means approves, for example, of our treatment of the Indians; but he feels that, on the whole, we have done as well as could be expected under the circumstances and have justified the lofty station assigned to us in the Providential scheme of human development. And as to the hopes and ideals that should inspire thoughtful citizens of the United States to-day, it is hardly possible to find a more sane and wholesome bit of literature than the last three of Dr. Abbott's lectures, treating respectively of the perils, the safeguards and the goal of democracy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But while the practical teachings of this great teacher are so admirable and so admirably put, the foundation of theory on which he sets them must jar sadly upon the nerves of the student and philosopher. Conceding the propriety of Dr. Abbott's calling himself democracy, and ascribing to that abstraction the dictates of his own very sound judgment as to the demands of social and political expediency, why must he call himself, more concretely, "Hebraic democracy"? And why must he endorse that philosophy of history which embodies a great exaggeration of the influence of the Jewish commonwealth upon the development of Europe. "The Conflict of the Centuries," which is the subject of his first lecture, he finds centred about the antithesis of "Hebraic democracy" and "Roman Imperialism," with the triumph of the former as the present outcome. Though very cleverly and unobtrusively qualified in places, the idea which is nevertheless the most conspicuous in this chapter is that the growth of modern democracy has been largely determined by the social and political institutions of the ancient Hebrews. Dr. Abbott is doubtless quite as much justified in attributing the responsibility for current practices to this people as others have been in assigning it to the Teutons or the Anglo-Saxons. But if we must have some particular racial brand to attach to our conceptions of democracy or liberty or rights, some one should arise and assert the claims of "Hellenic democracy" and "Hellenic liberty."

The main support of the Hebraist's position is the appeal made to the Scriptures, as against ecclesiastical tradition, by the Protestant reformers after the beginning of Luther's work. Since the Scriptures embodied the ideals and the facts of the Hebrew commonwealth, the inference is drawn that these ideals and facts largely influenced institutional development after the Reformation. But this reasoning wholly ignores the very extensive apparatus of anti-hierarchic theory that had been developed, during the fourteenth and fifteenth centuries, out of the political works of Aristotle. The institutions of Greek democracy which had been incorporated into the theories of this philosopher were directly responsible for the doctrines of popular sovereignty and representative government which were wrought into pretty complete shape by Marsiglio of Padua, William of Ockam and Nicholas of Cues. As against the autocracy of the pope, the Protestants had only to assert the principles of Hellenic democracy that had been reformulated out of Aristotle by these men; and it was no long time before these same principles were in full tilt with the claims of political autocracy on the part of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the monarchs of Europe. The accommodating character of the Hebrew commonwealth as a type of governmental institutions is very beautifully revealed in the diversity of uses that have been made of it. In the fifteenth century John Gerson — as earnest, sincere and eloquent a preacher as Dr. Abbott — found in the Hebrew state a divinely ordained type of "mixed," or limited, monarchy. In the sixteenth John Calvin, whose earnestness and sincerity have not been questioned, whatever may be the opinion as to his eloquence, found this same state to embody God's preference for an aristocracy. And now Dr. Abbott is sure that it was a pure democracy. This bewildering conflict of opinion may some time be brought for solution into relation with another interesting fact, — namely, that Gerson was a Frenchman, at a time when Estates General and *parlements* were effective limitations on the French kings; Calvin matured his doctrines at Basel and Geneva, two Swiss aristocratic cities; and Dr. Abbott was "raised" in the democratic United States of America.

There is probably still some emotional and rhetorical utility in the designation of democracy as Hebraic or Teutonic or Anglo-Saxon; but there is so much similarity in the institutions of all primitive peoples, and this fact has become so well known in recent times, that it is at least doubtful whether even rhetorical ends will much longer be subserved by the method that Dr. Abbott has employed; and it is most certain that that method has lost its place forever in an interpretation of history that seeks to be merely accurate.

At a few points Dr. Abbott seems to commit himself to ideas which may profitably be reconsidered. Thus, on page 71 he ascribes to Hobbes — conjecturally, at least — the doctrine that the state rests on a contract between king and people. Nothing is more explicitly repudiated by Hobbes than this doctrine, and that in the paragraph of the *Leviathan* which immediately follows one which Dr. Abbott quotes at length. On page 267, after referring to the benefits of the "common law" of England — "that is, a law common to all England" — Dr. Abbott says: "There was no such common law in France; every province had its own law; and therefore in France a Dreyfus trial is possible — never in England." This "therefore" surely ought to be relieved of the huge burden of mystery which it carries. Finally, on page 283, Dr. Abbott's rhetoric produces this Hibernicism: "And man bows down before a Great White Throne, himself sitting upon it."

WM. A. DUNNING.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Talks on Civics. By HENRY HOLT. New York, The Macmillan Company, 1901. — xxvi, 495 pp.

This book discusses a great variety of political questions, on which the author's views are generally sound and are stated with clearness. It is in many respects a valuable word, but its usefulness is much lessened by defects in the presentation. The very title is bad; there is such a word as "civics," but there ought not to be, and the ordinary reader will have to examine the book in order to find what it is about. Then Mr. Holt has put his work in the form of dialogue, which adds much to its length and detracts much from the pleasure of reading it. Plato has shown that philosophy can be agreeably taught in this manner, but Plato is not a safe model for ordinary writers to follow. The author says that he abandoned his original idea of writing a book for the use of the young, and certainly this work contains meat for men and not for babes. Possibly the form of dialogue was adopted when Mr. Holt set out to write for youth, but it should have been changed with the change of plan. Four hundred and seventy pages are filled with questions put by an imaginary teacher to an imaginary pupil, though this pupil plainly needs no teacher. Macaulay's schoolboy has been regarded as extraordinary, but he was an ignoramus compared with Mr. Holt's pupil, who manifests portentous wisdom in every answer.

The book contains an amount of flippancy and exaggeration that is most distasteful in a work intended for serious readers. At page 9, for instance, the teacher says: "What does the state government do?" and the pupil answers: "Some people in the cities are beginning to say that its main function is really to enable the country to milk the cities, to give country legislators . . . the chance to get bought off." Comments of this character are lamentably frequent. Mr. Holt belongs to those who delight in denouncing the government of the country and believe that our legislators are all ignorant and corrupt. At page 471 the teacher, in speaking of questions of taxation, says: "How would you expect them to be handled by the unlettered men who compose the majority of our legislatures?" and the pupil answers: "Just as they have been handled in the United States, with less wisdom and more corruption than under any other government in Christendom." Mr. Holt does not really think that the government of the country has been worse than that of Spain or Haiti or the South American republics, but he loves to indulge in flippant exaggerations. Such things may be well enough in a newspaper

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

article, but they are sadly out of place in a book that seeks to inform intelligent men upon practical questions.

There are also tricks of style which are unfortunate. If a man wants to spell though, "tho," it is his privilege; but why the noun "ability," and even the adjective "able," should always be dignified with a capital it is hard to understand. It may be said that such blemishes are trivial, but they remain blemishes.

When we come to consider the scope of the book, a large part of it is taken up by a review of the character of government and of the laws in reference to real and personal property. Even quite technical questions are discussed, and the pupil talks, not always very accurately, about easements and party walls, "estates by judgment" (whatever they may be) and other matters equally abstruse. These discussions are not of great value. The legal principles are sometimes stated with inaccuracy; the résumé of the law is useless for a lawyer and not very useful for a layman.

By far the best part of Mr. Holt's book is his discussion of questions of finance, commerce and taxation. Much of this is so good that we regret it is not presented to the public in more attractive shape. The author has studied the best authorities, he holds correct views and he presents them clearly and forcibly. He discusses at length the tenets of Henry George and his school, showing their inherent weakness. He is sound on all financial questions. Bimetallists and fiat-money men could get much information from Mr. Holt, if they knew enough to profit by what he says.

Little fault can be found with what is said about taxation. Occasionally, indeed, Mr. Holt reaches results with which it is difficult to agree. He is wrong in his criticism of the inheritance tax, which is destined to be of increasing importance in the scheme of taxation. Among the objections to it this characteristic statement is made: "The widows and orphans pay more than their share of such a tax, because they are not as able liars as other inheritors"; and as another drawback he enumerates "the objection to all petty nuisances — the tax never yielded much and never will; not enough to justify bothering the community and paying the collectors." Such statements illustrate the carelessness with which Mr. Holt writes. The inheritance tax already yields large sums. Furthermore, not even the tax on real estate can be collected with more certainty and more ease. The estate of a dead man must pass through the courts, and there are few who are willing to strip themselves of their property when alive in order to avoid a tax which will be paid after they are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dead. Enlightened legislation tends to abandon taxation of personal property of the living, which is always unfair and difficult to collect, and to levy a liberal contribution upon the personal estate which a man leaves when he dies. There is no fairer tax. It is eminently just that the public should take its percentage of the gains which have been accumulated because a man added to his own ability the good fortune to live in a land which furnished the possibility of using this ability to the greatest advantage.

For the most part, however, what Mr. Holt says about methods of taxation might be profitably studied. If the chapters on finance and taxation were published by themselves, if the exaggerations were corrected, if the flippancy was omitted and if the work was turned into narrative form, it could be read with pleasure and profit.

JAMES BRECK PERKINS.

WASHINGTON, D.C.

American Diplomatic Questions. By JOHN B. HENDERSON, JR. New York, The Macmillan Company, 1901. — ix, 529 pp.

Mr. Henderson's volume embraces five topics, *viz.*, the Fur-Seals and the Bering Sea Award, the Interoceanic Canal, the United States and Samoa, the Monroe Doctrine and the Northeast Coast Fisheries. Some of these topics are discussed at much length, and it is a pleasure to recognize in the discussion of all of them a spirit of fairness and a desire to be guided solely by considerations of law and history. It is also gratifying to perceive in the volume an evidence of the growth in the United States of an interest in international questions and of a spirit of sobriety in dealing with them. Bearing always in mind these meritorious features of the author's work, it is with a view in some sense to aid his future efforts that we feel obliged to notice certain grave defects in the present volume.

The first thing that will attract the attention of even the average reader is the entire absence of citations of authority. This omission must of necessity render the volume to a great extent valueless to serious and careful students. It falls to few men to reach a point where their mere statement of a fact or a principle carries with it a final and conclusive assurance of accuracy; and in the present instance there seems to be a constant connection between the lack of citations and a certain want of precision. The latter defect may, indeed, be ascribed to other causes than a failure to consult authoritative sources; but where both defects constantly appear, it is not unnatural to infer that there is a connection between them.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

For the purpose of illustrating our meaning we will confine our examination to the first chapter in the volume — namely, that entitled "The Fur-Seals and the Bering Sea Award." The author finds in the language of the treaty by which Alaska was ceded to the United States colorable ground for the view, the entire erroneousness of which he nevertheless seems to admit, that Russia undertook to convey to the United States dominion over the eastern half of Bering Sea; and he states (p. 4) that this construction "gained apparent weight from the fact that through a period of many years Russia had persistently claimed extraordinary rights of navigation and fisheries in Bering Sea." If any authority had been given for these statements, we probably should be able to discuss them with some measure of certainty as to their meaning. But, as the treaty itself expressly declared that the water line was drawn "so as to include in the territory conveyed the whole of the Aleutian Islands east of that meridian"; and as the government of the United States, prior to the singular utterance of the Treasury in 1881, never by any act or word intimated that the treaty could be otherwise construed; and as it is notorious that the United States entirely failed at Paris to substantiate the allegation, made in the diplomatic correspondence of 1890, that Russia had for years asserted extraordinary rights in Bering Sea, the grounds on which the author's statements may rest are not apparent. Indeed, he admits further on (p. 15) that the letter signed by Mr. French, as acting Secretary of the Treasury, March 12, 1881, marked "a complete reversal of the position assumed by the Government in 1872," when Mr. Boutwell was Secretary of the Treasury; and in another place (p. 37) he states that at Paris "the American contention of Russia's exclusive sovereignty could not be maintained." He describes (p. 15), however, the letter of Mr. French as having been addressed to "D. A. d'Ancona, Collector of the Port at San Francisco." Although the letter has often been thus cited, the description seems to be erroneous, as the Treasury Department has officially stated that Mr. Ancona was not collector of the port. Had he been so, it is not improbable that seizures would have been made in Bering Sea before 1886.

The author nowhere gives the provisions of the ukase of July 8, 1799, granting to the Russian-American Company the charter which the ukase of 1821 was, to a great extent, designed to render valuable; but in narrating the history of the ukase of 1821 he speaks (p. 6) of Mr. John Quincy Adams's protest of February 25, 1822, as having been caused by the complaints of "hardy sea-rovers from New Bedford

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and Nantucket," who were in the habit of making "annual summer cruises" about the Aleutian Islands. If this were the case, it would be a fact of capital importance, since it would tend to show an actual attempt on the part of Russia to enforce the provisions of the ukase. In reality, the ukase was signed only September 7, 1821; and Mr. Adams's protest, made less than six months afterwards, was, as appears by its very text, written in reply to a note of the Russian minister at Washington of January 30–February 11, 1822, communicating to the government of the United States a copy of the ukase itself. It may also be observed that, although the author notices, in his discussion of our treaty with Russia of 1824, the difference in point of duration between the articles relating to navigation and fishing in Bering Sea and those relating to the use of the interior waters of the northwest coast, he fails to point out that, after the expiration of the latter articles, we continued to enjoy substantially the same privileges as before, by virtue of the treaties between Great Britain and Russia and the most-favored-nation clause in our treaty with Russia of 1832. This, too, is a fact of importance as affecting supposed Russian claims.

In explaining why "the American contention of Russia's exclusive sovereignty could not be maintained," the author says:

> Reliance had been placed in evidence afforded by certain Russian documents to establish Russia's prescriptive right to jurisdiction over those waters, and as a natural *sequitur* the similar American rights acquired by purchase. The testimony in question, upon closer scrutiny, was found to be false, and the American case, unsupported by proof, failed upon the first and second points (p. 37).

The natural inference from this statement would be that the Russian documents proved to be false; but such an inference would be wholly erroneous. The authenticity of the Russian documents, so far as we are advised, never was impeached. But a faithless employee, to whom the translation of them was at first intrusted, made what the agent of the United States afterwards described as "an astounding series of false translations." The United States, on discovering the interpolations in the English version, promptly withdrew them and made a full disclosure of the circumstances of the imposture.

The few examples thus given of the author's want of precision are taken more or less at random from a considerable number observed in his first fifty pages. They indicate the need of greater care.

J. B. MOORE.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Lincoln's Plan of Reconstruction. By CHARLES H. MCCARTHY, Ph.D. New York, McClure, Phillips & Co., 1901. — xxiv, 531 pp.

This volume deals with a portion of one of the most interesting of the practically unwritten chapters of American history. The first part of the Introduction gives a brief summary of the political history of the United States from 1776 to 1860, the apparent object of which is to indicate that there were differences, chiefly in relation to slavery and state rights, between the North and the South which ultimately led to the attempted withdrawal of the slave states from the Union, to their subjugation and to their ultimate restoration. "This return is what is commonly known as Reconstruction." The value of this part of the book is open to question, since the information contained therein is too meagre to be of any value to one not fairly familiar with the history of American political ideas. The last part of the Introduction is devoted to an outline of the remainder of the book. The body of the book is divided into twelve chapters, with the following titles: "Tennessee," "Louisiana," "Arkansas," "Virginia," "Anti-Slavery Legislation," "Theories and Plans of Reconstruction," "Rise of the Congressional Plan," "An Attempt to Compromise," "The Electoral Vote of Louisiana," "Senate Debate on Louisiana," "Incidents of Reconstruction" and "Culmination of the Presidential Plan."

Inasmuch as the question of reconstruction first became a practical one in Tennessee, the author begins with the application of President Lincoln's plan in that state. In March, 1862, Senator Andrew Johnson's term expired, whereupon Mr. Lincoln sent him back to Tennessee as "military governor," a considerable portion of the state having already been secured by force of arms. Some have affected to regard the advent of the military governor at this time as something new in American history, but Dr. McCarthy calls attention to the fact that California and New Mexico were subject to military governors for some time after their conquest and that the legality of acts done by these governors was affirmed by the Supreme Court. He further infers that both Mr. Lincoln and Mr. Johnson were familiar with these precedents, since both served in the Thirtieth Congress, which opened December, 1847. Mr. Johnson's speech in the Twenty-Ninth Congress, in defense of the military government established in New Mexico, might have been drawn upon for precedents for certain of his acts in Tennessee, particularly the expulsion of certain citizens and the imposition of rigorous oaths.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Dr. McCarthy makes a few references to the details of administration; but the account is mainly confined to the larger political acts which culminated in the constitutional convention of 1865 and resulted in the restoration of the state under the President's plan by the action of considerably more than ten per cent of the voters.

The same treatment is accorded to Louisiana and Arkansas, so far as the work of restoration was carried in those states. In dealing with the former, the author gives only a passing notice to one of the most remarkable courts ever established in the history of American jurisprudence. Reference is made to Judge Peabody's "court of record for the State of Louisiana," which was established by executive order, having power to try every conceivable cause, civil and criminal, including cases in admiralty, with no right of appeal. Since the Supreme Court had declared unconstitutional the exercise of jurisdiction in prize cases by an admiralty court established in California by the military governor, the reader is naturally curious to know the fate of Mr. Lincoln's court. The decision of the Supreme Court in *The Grapeshot* and the meaning put upon that decision in Dooley *v.* The United States might well have been discussed.

In Tennessee the presidential plan — to appear to assist the people in bringing their states back into the Union — was seen at its best; in Louisiana, perhaps, at its worst. In the latter the interference of the military authorities was frequent, not to say flagrant; yet no adequate discussion is given as to the possible influence of this on the failure of the plan. The shadier sides of the work of that political and military charlatan, General Butler, whose sarcasm was sharper than his sword, are not touched upon, though they exasperated the people almost beyond endurance at the very outset.

The fourth chapter gives a good account of the farce gone through with to effect the "legal" dismemberment of Virginia and the erection of West Virginia into a separate state. The questions of constitutionality and expediency are discussed at some length in extracts from speeches in Congress and from official opinions, but nothing is said of the equally important subject of the political morality of the dismemberment. That is, indeed, a matter so patent as to need little comment beyond the mere recital of the facts, but the writer might at least have referred to Mr. Blaine's excellent treatment of the subject. Some attention is given to the later work of that "small but eminently respectable" coterie of gentlemen known as the "Pierrepont Government" of Virginia, sometimes sneeringly referred to as the "Common Council of Alexandria." The chief

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

part of its work seems to have been to maintain itself against the contemptuous disregard of its rights by General Butler.

Chapter V gives an account of the anti-slavery legislation, the bearing of which on Lincoln's plan of restoration, as such, certainly was more or less remote. The next chapter discusses the President's plan and the various theories of the status of the states propounded by Sumner, Stevens and the northern Democrats and in the Crittenden Resolutions. The writer then "traces with some degree of fullness the sentiments of reconstruction, in July, 1864, not only of the majority but of every important element composing Congress," and follows this with an account of the attempts at a compromise on some plan after the pocket veto of the Wade-Davis Bill. Twenty-seven pages are devoted to the disposition of the electoral vote of Louisiana in 1864 and forty-three to the Senate debate on the recognition of Louisiana as a restored state. The last chapter deals with the efforts at reorganization made between the inauguration of Mr. Johnson and the meeting of Congress in December, 1865. Two appendices give the membership of the Thirty-Seventh and Thirty-Eighth Congresses.

The book under review is, in some respects, a valuable contribution to American history. Any book dealing with this subject must be made up largely from documents; and when handling these the author has shown good judgment in quoting some of them freely, instead of spoiling them by paraphrases. But some of these documents appear to have led the writer astray, or caused him to lose the sense of proportion. When one finds ninety pages, or nearly one-tenth of the book, devoted primarily to the Wade-Davis Bill, the fiasco following its veto and the fruitless effort to replace it by subsequent legislation, he is tempted to believe that "hysteria" was mistaken for "historia." This belief is strengthened on finding eleven pages devoted to Davis's speech alone. If the writer intended to confine himself to his subject, sixty pages, instead of two hundred and sixty, would have been a liberal allowance for the matter discussed in Chapters V–XI. The title can hardly be said to cover the contents of the book, for much space is devoted to the discussion of matters not at all closely related to the subject. Of such are the anti-slavery legislation, the Freedman's Bureau, the volunteer diplomats and the Hampton Roads conference, to mention only a few. "An Account of the Theories of the Status of the Seceding States and of the Efforts, Executive and Legislative, at Restoration, 1861–65" would more adequately, but not quite fully,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

describe the scope of the work. Its chief value lies in the fact that it has brought these things into one view for the reader. It cannot be said to be an adequate history of Reconstruction during the period covered, for very little is said of the bearing and effects of the theories and plans in actual operation upon the people most intimately concerned. Such accounts must be written from the point of view of the states reconstructed, and must give the effects produced there, as well as the hopes and fears, the benevolent intentions and malevolent inventions, of the makers and administrators of the plans. Until such accounts have been written it will be difficult, not to say impossible, for any history of the United States to give a fair and adequate treatment of our political and social history from 1862 to 1877.

DAVID Y. THOMAS.

COLUMBIA UNIVERSITY.

The History of South Carolina in the Revolution, 1775–1780. By EDWARD MCCRADY. New York, The Macmillan Company, 1901. — 899 pp.

The third volume of McCrady's admirable work on the history of South Carolina, of which the first two volumes have already been reviewed in this QUARTERLY, contains a detailed account of all that happened in the state during the eventful years from 1775 to 1780. The points on which new light has been thrown more particularly are: the capture of the powder vessels in 1775 and the aid given to the forces about Boston through the much-needed ammunition thus secured, the explanation of the reasons why the Germans and the Scotch-Irish of the up country opposed the patriotic party and the part played by the partisan bands in bringing the war to a successful termination.

It is impossible to understand the internal politics of South Carolina without taking into account the fact that the state has been split into two opposing sections from the beginning. This circumstance helps to explain the lack of unanimity at the breaking out of the Revolution and the fierce partisan strife that followed. The German and Scotch-Irish people in the back country were not affected by the questions at issue, as were the tide-water planters. The latter had denied them the franchise, representation, the advantages of local courts and local administration of any sort. Therefore the stamp tax had not aroused the opposition among them that it had elsewhere. There were no courts to issue legal documents that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

required the stamps. In the same way, the tax on tea, glass, paper and painters' materials did not touch them, for they imported little or nothing. They were land-locked and had to make what they needed, with very few exceptions. As for the theory of representative government, it could hardly be expected that they would enter into a war with England on that account, when they had been denied any kind of representation in the colonial government by the very men who were loudest in their complaints against the mother country. The Germans, in particular, had other grounds for remaining faithful to the king. Many had owed allegiance to him as the Elector of Hanover before they came to America. He had given them an abundance of fertile lands and a larger measure of liberty than they had ever enjoyed in the fatherland. This accounts for the unusually large number of royalists in South Carolina and for their intense loyalty to the king, after they had once been aroused by the barbarous punishments inflicted upon some of their number by the patriotic mobs. In the fierce fratricidal struggle that followed, the guerrilla leaders and their followers received a training which counted heavily against the British regulars when they invaded the state and by their atrocities drove the neutrals into joining with these partisans.

The author has taken the greatest interest in the guerrilla bands and their famous leaders — Marion, Sumter, Pickens and Davie. He sees the work they did from a new point of view and is disposed to give them even more credit than has usually been accorded these intrepid men. He shows what an effective fighting force they were, when left to pursue their own methods. Nearly every great disaster that befell the state during the war he traces to the incapacity of the officers and troops sent to their aid. If the evidence on both sides has been fairly presented, he certainly has made out a strong case for the South Carolina patriots. He intimates that the final defeat of Cornwallis was due not so much to Greene's masterful retreating campaign as to the work of the partisan bands, done before that general took command in the South. However, since this campaign is to be discussed in the next volume, it is hardly fair to infer what the author will say from a few hints thrown out in this part of his work. The summary found in the tables on pages 850 to 853 is suggestive. In the year 1780 there were thirty-four engagements fought in South Carolina. In eight of these battles the continental troops assisted and the losses were:

	Killed and Wounded	Prisoners	Total
American	1470	6907	8337
British	616	31	647

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the other twenty-six battles, fought by the partisan bands alone, the losses were:

Americans	497	320	817
British	1200	1286	2486

This would certainly indicate a very much greater efficiency of the partisan leaders and their bands. It confirms the general observation that guerrilla bands on their own ground have a decided advantage in fighting the regulars of an invading force and, of course, constitute a much more troublesome enemy than larger bodies of unseasoned troops massed at one point.

WM. A. SCHAPER.

UNIVERSITY OF MINNESOTA.

The Transit of Civilization from England to America in the Seventeenth Century. By EDWARD EGGLESTON. New York, D. Appleton & Co., 1901. — viii, 314 pp.

This is the second volume of Dr. Eggleston's *History of Life in the United States*. Like the first, it is made up of a series of essays prepared with great industry, well written and entertaining. Dr. Eggleston has been a student of colonial life for many years and has collected masses of information of all kinds on subjects connected with the culture history of colonial America. He is planning to deal with other colonies in succeeding volumes, a fact to which reference is made in this work (pp. 199, 313).

The essays herein contained treat of the following subjects: "The Mental Outfit of the Early Colonists"; "Medical Notions at the Period of Settlement"; "Mother English, Folk Speech, Folk Lore, and Literature"; "Weights and Measures of Conduct"; "Land and Labor in the Early Colonies." Each chapter is divided into sections and followed by an "Elucidation" containing a kaleidoscopic assortment of notes, lengthy, discursive and often bewildering, treating of all sorts and conditions of subjects — such as potable gold, the swallow myth and infant baptism — and bringing to light a host of queer books and queerer notions. Some of the notes, it must be confessed, sound a little overlearned and seem to be afflicted with what Dr. Eggleston says he has tried to avoid, a "paroxysm of citations" (p. 47).

The essays themselves are interesting and readable; that on "Mother English" is delightful; but they do not rise above the level of essays, either in form or character. There is no attempt to work

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out any given subject in a complete or thoroughgoing fashion; the investigation has taken the form of a search for illustrations, rather than for principles; the arrangement lacks system; and the treatment, both as a whole and in parts, is far from scientific. For example, Dr. Eggleston speaks of livery of seisin in the colonies, but he does not add anything to our knowledge of it and, in fact, does not grasp its legal character or the extent of its application. Had he searched somewhat more widely, he would have found that delivery by turf and twig was required by English law, but in no way itself constituted a legal delivery. He would have found, furthermore, that its application was far wider than he has shown it to be and that it was employed in at least three classes of land transactions: the transfer of land from one colonist to another, from an Indian to a colonist, and from a colony to an individual, to a committee or body of settlers, or to a town. In reality, Dr. Eggleston — in this instance, as in others — has given us the oddities of a custom and not an explanation of its historical significance or its real meaning. This criticism can be applied in other instances also; the evidence adduced is often insufficient and not convincing, the essays are too sketchy and do not go to the bottom of things, and the impression left is frequently a very vague one.

Perhaps one reason why Dr. Eggleston's evidence is at times no more convincing is that he himself has little sympathy for the ideas and opinions of what he calls the "half-mediæval seventeenth century", (p. 237), but has an inclination to generalize from isolated data and to depend too much on the writings of Increase and Cotton Mather. He has strangely neglected the Plymouth evidence, though Robinson's *Essays*, Bradford's *History* and Morton's *Memorial* could have supplied him with information that was quite as useful and reliable. Surely Robinson's statement that "the highway to wisdom, divine and human, is to observe and consider the reasons and causes of things" is worthy to be set over against some of the credulities of Cotton Mather's *Magnalia;* while Dr. Eggleston would have found support for some of his other contentions in Bradford's belief that there was a connection between a cyclone and an eclipse, and in Morton's explanation of an earthquake as due to the wind shut up in the pores and bowels of the earth.

But it is in the chapters on education and the land system that Dr. Eggleston's work shows the most serious structural weaknesses. In the former he traces "our system of education" to the monastic schools; says that before the Reformation "the main reliance for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

education was on the convent schools"; and thinks that "no grammar schools were founded till the time of Edward VI" (pp. 207–210). In making these statements Dr. Eggleston has strangely neglected the work of recent investigators. Mr. A. F. Leach, in *English Schools at the Reformation*, can say that Edward VI did not found a single school and deserves to be called the "spoiler," rather than the "founder of schools." This view, taken after a careful study of the proceedings of the Chantry Commissioners, is based on the belief that all the so-called Edwardian schools were in existence long before Edward's time and that all that the young king did was to give them fresh support. The origin and character of these pre-Edwardian schools can be discovered in Mrs. Green's *Town Life*, II, 12–19, where the writer, after noting the schools founded by the gilds and municipalities in the fourteenth and fifteenth centuries, says that "the new movement marked the beginning of that revolution which was ultimately to take education out of the exclusive control of the Church and hand it over to the people themselves." Pollard, in *England under Protector Somerset*, has modified Leach's statements somewhat but has not essentially altered their importance in overthrowing the traditional view, based on Strype's *Ecclesiastical Memorials*, which Dr. Eggleston has here presented. It may safely be said that each of the above-quoted statements taken from Dr. Eggleston's work has been discredited within the last ten years.

Still more open to criticism are the sections devoted to the land system. Dr. Eggleston may be thoroughly sound and scholarly in his account of the significance of comets, the generation of insects, the doctrine of signatures, and the genealogy of myths and folk tales, but his knowledge of the history of the land system is not sufficient for the superstructure reared upon it. He has noted that a "great literature has grown up about it mostly in a life-time" (p. 277); but had he followed the increase of that literature, particularly in its later forms, he would not have had so much to say of "communal holding" of land "dating far back of the feudal system"; he would not have spoken of the "petty court of a manor *or township*" or of the "town community" as a *tenant;* he would not have implied that the "township commune" "before feudal times" was a corporation or that ownership by corporations existed before ownership by individuals; and he certainly would not have been guilty of so unscholarly a statement as that on pages 277–278, where he says that "the town commune can be traced in England back to the fifth century. It disappears in the prehistoric past in its full vigor." The appellation,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"village commune," that he has chosen for the village community, savors of affectation and is unfortunate as applied to anything relating to England or New England. The "communal" thread that runs through these sections was in fashion a decade ago, but it is not much used to-day, except by writers who, like Dr. Eggleston, have consulted no literature on this subject of date later than 1890. Dr. Eggleston's only authorities are Marshall, Nasse (1871), Seebohm (1883) and Gomme (1890); and his neglect of the master argument of Maitland, according to which the early English village community was occupied by freemen holding land in severalty, is matched by his similar neglect, in the discussion of enclosures (pp. 317–318), of the work of Leadam and other students of the economic history of England in the sixteenth century.

In treating of New England, Dr. Eggleston is guilty of equally rash generalizations and is equally neglectful of the writings of special students. The statement that in New England "the town had the disposal of lands in its hands" (pp. 278–279) or that the town "owned the realty and divided it according to its by-laws and its own good pleasure" is not true. Technically, the lands, whether in Salem, Worcester, Hartford or other towns, were the property of the proprietors and their descendants. In Salem, as late as 1852, the town recognized the right of the proprietors to "Liberty Hill," and were in doubt only as to how far it could control them in their disposal of it; while in Hartford, in 1754, a famous litigation arose from an attempt of the town to divide up the undivided lands among its inhabitants. This does not look much as if the town had the disposal of its lands in its own hands. In smaller matters Dr. Eggleston has an annoying way of not giving authorities for his statements. He says that "New England had land in considerable quantities reallotted every year at first" (p. 308) and speaks of New England towns that "cultivated the land by dividing it annually until the town should fill up" (p. 279). I will not doubt the truth of these statements, but the cases are so extraordinary that Dr. Eggleston should have given his authority for them. For the same reason I am unable to test the following statements, though they arouse suspicion: "One finds the right to appeal to higher courts hampered and jealously watched in Connecticut" (p. 280); "There were water-bailiffs" in the New England towns (p. 281); "Each individual owner of plowland and mowland within the town" in Massachusetts, Connecticut and Long Island "must trace his boundary every winter if his adjacent neighbor exacted it" (p. 291). Perhaps it would be unjust to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

suspect that the evidence in these cases might turn out similar to that on page 44, where, to support the statement that there were "learned pundits in Philadelphia as late as 1800 who followed Olaus in wintering their swallows in the bottom of rivers," Dr. Eggleston cites a paper that he has "somewhere seen."

There are a few slips of a minor character. The Fundamental Articles of Connecticut are dated 1638 on page 147 and 1639 on page 309; Livermore, on page 236, should be Levermore; Gomme's "Village Communities" (pp. 280, 311) should be *The Village Community;* Seebohm, "The Salic Law" (p. 289), is a reference that I cannot explain; "Ideas," on page 117, should be "Ides"; the swineherd is far older than Dr. Eggleston here makes him out to be; and "Michaelmas" does occur in the records of the New England Puritans, Dr. Eggleston to the contrary notwithstanding.

That which is most remarkable about this book as a work of scholarship is its neglect of what others have done in the same fields. With scarcely an exception, there is no work quoted or referred to here of date later than 1890. In fact, save for a reference on page 262 to two papers in the *William and Mary Quarterly* for 1897, which is the only bit of evidence that I can find to prove a later publication, this book might well have been issued ten years ago and no one would be any the wiser.

CHARLES M. ANDREWS.

BRYN MAWR COLLEGE.

Report of the Industrial Commission on the Distribution of Farm Products. (Vol. VI of the Commission's Report.) By DR. J. F. CROWELL. Washington, Government Printing Office, 1901.—508 pp.

Not the least valuable of the volumes embodying the report of the Industrial Commission is that before us. In it not only is the machinery described by which the leading farm products of the United States are conveyed from producers to consumers, but also data are given showing what proportions of the prices paid for these products by consumers actually go to farmers. Neither one of these important subjects had before been adequately investigated, and this gives a special interest to the results of the present inquiry.

The report is divided into fifteen parts, of which the first and the last are general, treating of "The Main Factors in Commercial Distribution" and "Some Special Features of Distribution," respectively; while the intervening parts are more special, considering the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

distribution of the particular products — wheat, corn, cotton, live stock, milk, butter, cheese, tobacco, wool, broom corn, hay, fruit and vegetables. Like the other reports of the commission, this volume is introduced with an admirable "Summary of Results" (13 pp.) and concludes with interesting appendices and a comprehensive index. It contains a wealth of material, from which it is possible in a brief review to select but a few facts and conclusions for comment. Every economist owes it to himself to consult the work at first hand and to encourage by his interest just this sort of investigations on the part of government experts.

There is a widespread notion that the most extravagant "wastes of competition" are those connected with the marketing of products, and scientific authority is not lacking for the belief that, as time goes on, the wastes are becoming more and more serious. Perhaps the most important result of Dr. Crowell's study is the conclusion that — so far, at least, as farm products are concerned — there is no basis for the second opinion. He says, quite confidently, that "the facts examined show that in the course of the past twenty-five years there has been a constant tendency towards a reduction in the difference between what the producer receives and what the consumer pays." This is all the more reassuring because he traces the gain not so much to lower transportation charges as to a better organization of the distributive system.

Fullest treatment is accorded, as was to have been expected, to the agricultural staples — corn, wheat and cotton. The successive steps in the process of marketing each of these crops — sale to local dealers, shipment to market and sale to wholesalers or jobbers, transfer to retailers and sale to consumers — are described at length. Maps are presented to show the competition between different markets for the products of different sections, and abundant evidence is given in support of the view that the development of the country is weakening the monopoly power of middlemen and transportation companies and bringing to the farmer an ever larger share of what the consumer pays for his products. Incidentally, the unfortunate situation of areas which have but one outlet to the market is described, and facts are given in support of the statement that transportation charges are still unduly high on local traffic.

Dr. Crowell's investigation has left him in no uncertainty as to the beneficence of the rôle which speculators play in connection with the prices of corn, wheat and cotton. He gives seven reasons (p. 223) for not accepting the belief, common among farmers, that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

speculation in futures is "an organized effort to depress prices." The last will probably carry more weight with "practical men" than any of the others. It is

> because evidence, believed to be conclusive, has been presented showing that, under speculation, prices prevailing at the time when producers dispose of the greater part of their products are greater in comparison with the rest of the year than they were before the advent of modern speculation.

The general conclusion of this part of the report is that, on the whole, the middleman's function in connection with the staple crops is performed well and cheaply, and that future improvements must come mainly from bringing the centres of consumption nearer the places of production, through the diversification of agriculture in the West and the further localization of cotton mills in the South.

Less convincing than the above conclusion is his analysis of the causes of the low farm price of wheat in recent years. He says:

> The depressing effect of the large stock of visible wheat upon the market from the producer's point of view is inevitable; . . . This is one of the causes for the low level of farm prices of wheat under the present methodical system of collecting the crop soon after the harvest and holding it ready for disposal to whatever part of the world may want it. Another factor in depressing American wheat prices is the fact that three-fourths of the world's wheat supply comes upon the market within three months out of the twelve, causing a congestion of stock which determines the price for the other nine months of the year.

These statements seem to imply either that there is a wide margin of profit above fair remuneration for service between the prices paid to farmers and the prices ultimately paid by consumers or else that the price is lower the year round than consumers would be willing to pay for the quantities they obtain. The first suggestion is vigorously combated by Dr. Crowell himself in the body of his report, but the second seems even less tenable. Is not the fault to be found in the assumption on which the inquiry proceeds — namely, that the price of wheat has been "depressed" in the last few years, in the sense that farmers have not been getting a fair return?

Passing from the discussion of staple products to that of milk, fruit and vegetables, the report brings out clearly the higher proportionate expense connected with marketing perishable commodities. Whereas wheat farmers receive from seventy to ninety per cent of the price paid for wheat by millers in St. Louis, corn raisers from eighty-five to ninety per cent of that paid for corn in Chicago and cotton growers from seventy-five to ninety per cent of the price of their product in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Liverpool, dairymen who supply milk to New York City receive only about thirty-two per cent of its retail price, California fruit growers receive only about twenty-eight per cent of the retail price of oranges in Eastern cities and vegetable gardeners average generally not over fifty per cent of the retail prices of their products. As these statistics indicate, it is in connection with the marketing of perishable products that there is the largest room for improvement in present methods in the United States. Space will permit only a summary of the changes that Dr. Crowell considers necessary in this department: (1) The commission system should be abolished; (2) farmers throughout the country should organize in associations similar to the fruit-growers' associations of California; (3) the transportation of farm products by means of trolley roads should be extended; (4) cities, and especially the larger cities, should give more attention to the establishment of public markets where producers and consumers may meet for their mutual advantage.

In conclusion, it should be emphasized that the great value of the report does not consist in its explanations of economic phenomena or in its recommendations, but in the mass of information it presents in regard to the actual methods of modern business. Students may and will differ with Dr. Crowell in regard to questions of interpretation, but all must feel grateful to him for bringing together in such convenient form the essential facts touching this important subject.

HENRY R. SEAGER.

UNIVERSITY OF PENNSYLVANIA.

Einige strittige Fragen der Capitalstheorie. Drei Abhandlungen. Von EUGEN V. BÖHM-BAWERK. Wien und Leipzig, Wilhelm Braumüller, 1900. — 127 pp.

This little group of essays, dedicated to the "true friends of theory," is a reprint of three articles which appeared during 1899 in the *Zeitschrift für Volkswirtschaft, Socialpolitik und Verwaltung*. The author's object, as he explains, is not to present any new theory of capital or interest or to make any changes in the one which he had before presented, but rather to examine more carefully some questions of detail in the doctrine of capital that are essential for the solution of the main question. Of the five distinguishable subjects discussed, the four less important ones comprise the last third of the pamphlet and may be first mentioned.

The author maintains that the confusing of interest, the return

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of capital, with the earnings of the entrepreneur, as is done by Philippovich, is a step backward away from clear thinking and a clear economic terminology. He refutes Dietzel's idea that there must be, not one, but several theories of interest — that in turn, or according to the particular problem, the abstinence, the productivity, the exploitation, the time-value theory or others, must be employed. The author makes a telling criticism of this eclectic method of avoiding the real problem involved. He then replies to the objection made to his own theory by Philippovich, to the effect that it explains only a part of the cases of interest. And, finally, he criticises the loose acceptance by Lexis of the socialistic exploitation theory of interest, sharply and powerfully arraigning that sentimentality which has led many thinkers, especially in Germany, to concede validity to the socialistic theory of interest, while rejecting the reasoning on which alone rational validity can be demonstrated.

Let us turn now to the major theme of the essay — the nature of the roundabout process. Böhm-Bawerk's conception of the "average production period" as that period which elapses between the application of productive agents and their reward in the form of satisfaction, and his proposition that by roundabout methods a greater product can, as a rule, be attained, have been variously criticised and attacked. Especially the assaults of Lexis called for a reply. In defense of his ideas, the author retraces much of the argument of his earlier works, developing and illustrating the thought in many details. He first clears away some misunderstandings, by defining the production period not as the absolute time that elapses from the first application of labor and capital until the securing of the enjoyment, but as the *average* length of the interval. As the main objection turns on the effect of inventions which shorten the various industrial processes, while giving a larger product, he considers at length the effect of inventions and improved processes. He concludes that they are dynamic factors that check, but do not reverse, the movement of the rate of interest, and maintains the truth of the general rule set forth in his theory. He returns to the same argument in the next division, maintaining that the greater productivity of the longer period can be shown both by observation and experience (pp. 43–52).

He then turns to a different but related question, as to whether (pp. 51–63) the rate of interest is fixed in the whole range of industry or, as Lexis has maintained, in a particular branch of it. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

same question appears under a slightly different aspect in this form: whether the different branches of trade have an essential effect on each other in the matter of the rate of interest. Böhm-Bawerk analyzes the methods by which the rate of interest and the successive uses of capital are equalized in the various lines of industry. From the standpoint of the author and that of Lexis, who apparently approaches the subject from the same side, this is a subtle and convincing piece of analysis. Its defects, viewed from a different standpoint, will be suggested below.

Finally, in this division Böhm-Bawerk vigorously resents the view that his notion of the production period and the length of the roundabout process is unsound, in that it deals with magnitudes practically not determinable. Admitting that it is impossible to measure the productive period, he says that this is equally true of many causes which must be recognized and reasoned about in the various sciences. He says it would be very pleasant and interesting to know all these facts, but that a lack of knowledge does not invalidate his theory. The details of the arguments presented cannot be discussed here, but it must be confessed that, despite the great ingenuity displayed, they leave the vague impression that somehow the real question has been evaded. Not a single concrete example has been given where an individual producer practically measures this period, whereas in the cases of cost of production and of the marginal buyer in market value, which Böhm-Bawerk adduces as strict analogies, there are clearly evident some points at which the magnitudes of satisfaction or cost, usually unmeasured, appear for a moment in concrete and measurable forms.

Considering as a whole the author's argument on the central theme, it can be called successful only in a negative way, as a refutation of various objections that have been made against it. The author has not advanced the solution of the problem, positively, a single step. Critics of the *Positive Theory* have frequently declared in effect that, while its author had ejected the productivity of capital from the front yard of his theory, he had opened to it the side door and had given it the freedom of the house. For what place are we to assign in the broad theory of interest to the "productiveness of the roundabout process"? Is it the main and fundamental, or is it only a supplementary and partial, explanation of the cause of interest? The essay under review certainly puts it in the central and leading place: it is the greater productiveness of labor when applied in a long and roundabout way which is the great and efficient cause

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of interest on capital. If that is not the impression left on the reader of this essay, and the one the author intends to leave, then we have missed its purpose. And yet this is out of harmony, first, with the author's own strong negative criticisms of productivity theories as affording only incomplete answers to the interest problem and, secondly, with his formal statement of the theory of interest as due to the difference between the value of present and that of future goods.

Let us venture to suggest very briefly an explanation of this appearance of wavering in the author's conclusion. Starting with a narrow concept of capital as composed of things produced by labor, he has not succeeded in escaping various of the old errors of the labor-value theory which he himself has elsewhere so successfully discredited. That concept suggests the thought that labor is put into the material form of capital to appear later as enjoyment. Some cases may be found in seeming support of this view, but others that clearly forbid it. When or in what way will the labor expended in digging the Isthmian canal become enjoyment? There will be an annual yield of enjoyment, but the "principle," or result of the labor, is, as John B. Clark has strongly emphasized, an abiding thing, never to be used up. Again, Böhm-Bawerk recognized before he concluded his *Positive Theory* that the capitalization of land is only another aspect of the interest problem, yet his productive period or roundabout process has no validity there. Indeed, his capital concept is a cost-of-production concept and does not make possible a consistent explanation of the theory of interest or the capitalization of scarce agents — "natural" means of production. The period of production seems plausible when illustrated by examples of capital thought of as "previous labor" (see *Strittige Fragen*, pp. 11, 12, 17, *et passim*). An "average waiting time," however abstract and unrelated to any practical calculation which business men make in determining investments, appears to be a possible thing, if capital can be reduced to applications of labor at various times, destined all to appear at a later moment in the form of consumable goods. But when the problem of comparing present and future goods is thought of in the form of a balancing of present and future rentals, as is done in the case of capitalizing scarce natural agents, the fallacy is evident. Then there is no "roundaboutness" in the application of labor. There is neither a series of technical processes nor an application of labor which will mature as enjoyment at a later period. The rate of interest falls gradually, as future rents increase in value

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

relative to present rents, and accordingly are discounted at a lower rate of interest. Great as have been the services of our author in stimulating to clearer and deeper thinking in economic theory, his presentation of a *Capitalstheorie* evidently is not destined to be a finality. Some development it is sure to undergo, and is undergoing. And that development clearly lies along the lines of a value concept, as opposed to a cost-of-production concept of capital.

FRANK A. FETTER.

CORNELL UNIVERSITY.

Il Capitalismo e la scienza. By DR. ACHILLE LORIA. Turin, Bocca, 1901. — 265 pp.

The author of this work admits that his peculiar system of economic theory will never gain a perfectly secure position in the world of science until all competing theories shall have been eliminated. To this work of destruction the present volume is devoted. Whatever may be said of Loria's fairness as a critic, his impartiality in the choice of subjects for his criticism can hardly be called in question. Böhm-Bawerk and Clark, Marx and Henry George are alike subjected to a detailed examination and are alike found guilty of unlimited absurdities and contradictions. As any one familiar with Loria's writings would expect, the fundamental weakness he finds in each is the failure to recognize that the appropriation of land must be the central point in any form of capitalistic economy.

It is, perhaps, worth while to give in some detail Loria's criticism of Professor Clark's *Distribution of Wealth*, as it is one of the best examples of Loria's methods of work. Accepting the premise common to Thünen and Clark,[1] that increments of capital successively applied become less and less productive, Loria agrees that, if free land exists, the laborer will get the surplus income connected with the earlier and more productive units of capital. But when all land is occupied, what means has the laborer of compelling the capitalist to give up the surplus product? None, Loria replies. Accordingly, the capitalist pays the laborer just what he pleases.

The second criticism is that the conception of the diminishing productivity of labor, employed by Professor Clark in his discussion of

[1] Loria incorrectly assumes that Professor Clark borrowed the idea from Thünen. Clark's theory had taken definite shape long before American scholarship became acquainted with Thünen.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interest, is contrary to reality in a capitalistic society. In a society in which land is free, since the capitalist is compelled to apply his capital with his own labor, he may consent to employ additional laborers who produce decreasing returns. Not so in a capitalistic society, however, for as soon as labor declines in productivity in his own enterprise he lends his superfluous capital.

In the third place, the capitalist could not afford to pay marginal laborers their entire product without a distinct loss to himself — the interest on the advances which he makes in the payment of the additional labor. Clark depends, Loria thinks, upon altruism to influence the capitalist to make so bad a bargain. Granting that wages correspond to final productivity, it is wages that fix final productivity, not productivity that fixes wages. For does not the rate of wages decide how far it will pay to employ labor? The idea of a stationary fund of capital with a changing supply of labor is absurd. The proportions in which labor and capital may be profitably combined are fixed by immutable physical laws. Any such variation in one factor would mean a positive loss. Finally, the product of a marginal unit of labor is not the product of pure labor, since without capital labor would produce nothing.

Such criticisms as these are sufficient to convince the reader that, of the critics who have undertaken to dispose of the *Distribution of Wealth* without understanding it, Loria displays the highest originality. The greater part of the volume, however, is constructive; and the reader will hardly find that part either as clear or as logical as the analysis of Professor Clark's work outlined above. As to the value of the theory expounded, the author says:

> The vast and various complex of facts and of doctrines that spontaneously group themselves about my central theory and are logically deduced from it, in my opinion, demonstrates in unimpeachable manner the fundamental truth of the system to which the impartial study of phenomena has led me.

ALVIN S. JOHNSON.

BRYN MAWR COLLEGE.

Bankpolitik. Von DR. WILLIAM SCHARLING. Jena, Gustav Fischer, 1900. — xii, 371 pp.

This book is based upon lectures delivered to the students of the University of Copenhagen. Its purpose is to furnish, not only to students, but also to practical men who have no special economic training, a correct understanding of the nature of banking and of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the most important questions connected therewith. It is, therefore, neither an exhaustive treatise nor a mere text-book, but occupies a position midway between the two. Dr. Scharling has accomplished his purpose with unusual success. The style of his book is clear and simple. It is remarkably free from long and involved sentences, from abstract discussions and from those peculiarities of style which often render German books difficult and oppressive to foreign readers. It is also singularly free from the elaborate and ponderous footnotes which are usually found in German treatises.

A very large proportion of the book — 274 out of 371 pages — is devoted to the history of banking in Great Britain, France, Germany, the United States, Denmark, Sweden and Norway. The author justifies the employment of so much space in the elucidation of this phase of the question, on the ground that the most important principles and problems of banking, as well as the most important theoretical questions, are best revealed in the history of banking institutions. The only criticism which can properly be passed upon this portion of the book is, not that it occupies too much space, but that it does not include a discussion of several important phases of banking history and experience. In omitting the banking history of Canada, for example, the author lost the opportunity of describing a banking system which combines in a remarkable degree the advantages of centralization and of decentralization, while at the same time protecting note holders without sacrificing elasticity. The history of banking in Austria-Hungary and Italy, which is barely touched by Dr. Scharling, offers the best possible opportunity for the elucidation of the injurious effects of inconvertible government notes upon the business of banking and commerce in general.

The first part of the book contains an admirable exposition of the nature and functions of banks. The gradual development of the use of deposits as a form of currency and their great relative importance at the present time is admirably shown, as is also the nature and uses of checks and bills of exchange. It would be difficult to refer a student to any book in any language in which a better and clearer account of this part of the subject could be found. The extent to which bank currency has economized the use of coin is treated by Dr. Scharling in a much more scientific and careful manner than by most text-book writers. By means of a careful analysis of the actual need for different forms of currency, reinforced by statistics drawn from a wide range of banking experience, he has shown that, on the one hand, the claims of certain advocates of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bank currency regarding its possibilities as a substitute for coin are greatly exaggerated and, on the other, that the further extension of the use of deposits as currency in most European countries and of banking institutions in more backward countries will effect a still further decrease of the proportion of coin to other forms of currency employed — without, however, diminishing the actual amount employed or without preventing a constant increase in the demand for the precious metals. Special attention should also be called to the admirable way in which Dr. Scharling analyzes deposits, in order to explain the uses to which they may be put by bankers.

The third part of the volume is devoted to a discussion of monopoly *versus* free banking and of private *versus* state banks. Dr. Scharling treats these questions in a purely concrete manner, by contrasting the relative advantages and disadvantages of the great European systems with those of the United States and certain European countries, such as Denmark and Sweden, in which the principle of free banking has been partially applied. While, in Dr. Scharling's opinion, the balance of advantage is on the side of free banking, he shows clearly that both systems have their good and their bad features, and that it would not be well to apply either system universally. At the same time, he emphasizes the fact that the tendency manifested in nearly all European countries toward the establishment of central banks with special privileges, including a monopoly of note issues, is due more to political than to economic influences. He also shows that the principle of centralized monopoly banking almost necessarily involves state banking. While the ownership of the property of privileged institutions may without difficulty remain in private hands, their control almost inevitably falls into the hands of public officials. Dr. Scharling concludes, therefore, that the evils arising from direct official interference in the affairs of banking are almost necessarily involved in the monopoly system.

On account of the constituency for which Dr. Scharling prepared his book, he very properly considered it best to place theoretical questions in the background and to treat them concretely whenever they necessarily enter into the discussion. Accordingly, the currency and banking theories are treated in connection with the history of the Bank of England, and particularly with a discussion of the act of 1844. The theory of credit is scarcely touched upon at all, the function of banks as intermediaries in the saving and investment of capital being presented in a purely concrete way. The quantity theory is also omitted from the discussion, as the author had no

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

occasion to employ it in his treatment of the problems connected with the various phases of the banking business.

WM. A. SCOTT.
UNIVERSITY OF WISCONSIN.

National Conference on Taxation, under the auspices of the National Civic Federation. Held at Buffalo, New York, May 23 and 24, 1901. — 185 pp.

First Biennial Report of the Wisconsin State Tax Commission. Madison, 1900. — 174 pp.

First Annual Report of the Board of State Tax Commissioners (of Michigan). Lansing, 1901. — 160 pp.

Report of the Revenue Commission of Colorado. Denver, 1901. — 62 pp.

Report and Bill of the Kansas State Tax Commission. Topeka, 1901. — 113 pp.

Preliminary Report of the West Virginia State Tax Commission. 1902. — 45 pp.

Report of the Committee on State and Municipal Taxation of the Chamber of Commerce of the City of New York. Submitted October 4, 1900. New York, 1900. — 36 pp. Do. Submitted December 20, 1900. — 12 pp. Do. Submitted January 3, 1901. — 12 pp. Do. Submitted May 2, 1901. — 14 pp. Do. December 5, 1901. — 4 pp.

The interest in matters of tax reform continues unabated and is witnessed by the large number of reports mentioned in the preceding list. Of these, easily the most interesting and the most important is the *Proceedings of the National Conference on Taxation* at Buffalo. The conference was largely due to the efforts of Mr. R. M. Easley, the active secretary of the National Civic Federation, who found a ready response throughout the country to his suggestion that a national conference be called. Delegates were appointed by the governors of almost every state of the union, and the conference was attended not only by students of the problem on the theoretical side, but more especially by the men who are engaged in the actual administration of the revenue laws of the different states, as well as by representatives of the important interests subject to taxation. As a consequence, the papers were varied and interesting; and the proceedings were enlivened by an active discussion in which almost

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

every phase of the problem of present-day taxation in the United States was treated.

The important papers on general topics were read by such men as Senator J. R. Garfield of Ohio, Senator Bucklin of Colorado, Mr. Judson of Missouri, Mr. Seward and Mr. Purdy of New York, and Judge Howard of Indiana. The academic element was represented by Professor Henry C. Adams, Dr. Max West, Dr. R. H. Whitten, Professor Bemis and others. Of the special corporate interests, the bankers and trust companies were represented by Hon. C. S. Fairchild; the railways, by Mr. Davies and Mr. Hines; the insurance companies, by Mr. Hoffman and Mr. Fryer; and the farmers, by Mr. Creasy of the Pennsylvania State Grange. It was inevitable that many differences of opinion should make themselves manifest. This was largely due to the fact that the problem of taxation varies with the different conditions throughout the United States; but every one who participated in the conference left with the feeling that not a little good had been accomplished in this interchange of views and that a distinct impulse had been given to the movement for reform. The conference itself adopted resolutions in favor of the avoidance of double taxation and looking to the coöperation among the states toward this end. Provision was also made for the appointment of an executive committee of fifteen, to whom should be intrusted the arrangements for the development of a permanent organization. It is not at all unlikely that this permanent organization may decide to issue periodical reports and thus contribute to keep alive a movement which in the eyes of many is big with promise.

Of the commission reports in the above list, some were issued before the conference met, but others were published after that period and plainly bear the marks of work done at the conference. In the first class are to be put the reports of the Tax Commission of Wisconsin and of the Tax Commissioners of Michigan. These two states have created permanent boards, whose duty it is to report at each session of the legislature. The preliminary report of the Wisconsin Commission, which was published in 1898, was noticed in this QUARTERLY (XV, 634). In the first biennial report the commissioners carry out more fully some of the suggestions made in the original report. A large part of the document is devoted to the consideration of the best methods of taxing corporations. Among the broader general questions discussed are the separation of state and local revenues, which is warmly recommended, and the taxation of intangible personality. The Wisconsin Commission even say that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the time is perhaps not far distant when a better understanding of these questions will be had, and when there will be a more distinct demand than now exists, that much of the intangible property, so-called, which under existing practice is virtually exempt, shall be made expressly exempt from direct taxation.

The commissioners confess, however, that they are not prepared at the present time to recommend that personal property be released from taxation, putting their conclusion on the ground that the trend of popular opinion is not yet sufficiently strong.

The report of the Michigan Tax Commission is not so clear or so well written as that of the Wisconsin Commission. As the members were unable to agree, they have made separate reports. The president of the board shares many of the views of his Wisconsin friends, but his colleagues are content to let well enough alone. The most valuable part of the Michigan report is the full discussion of the valuation of corporate, and especially of railroad, property for purposes of taxation. The methods employed by the commission to ascertain the value of the intangible property of the railroads are well described by Professor Adams in the report of the Buffalo Conference.

Senator Bucklin is responsible for the report of the Colorado Revenue Commission, which has attracted considerable attention throughout the country because of its advocacy of the taxation of land values, in place of the complicated system at present in vogue. The report contains an interesting statement of what has been accomplished in Australia. The commission is undoubtedly extreme in its recommendations, for it opposes the inheritance tax and has practically nothing to say of the corporation tax. But to the extent that it recommends a constitutional amendment, permitting the exemption of personal property from taxation, it will have the hearty support even of those who are not prepared to go to the length of accepting the entire plan.

At the Buffalo Tax Conference the revenue officials of Indiana claimed that their system was far superior to that in the other states. Though much of this claim was unfounded, there is no doubt that the Indiana administration under the new law is more effective than was formerly the case. The members of the Kansas State Tax Commission were so much impressed by the contention of the Indiana officials that they decided to recommend the adoption of the Indiana law with reference to the taxation of corporations. The conditions in Kansas are such, of course, that the movement for the abolition of the direct tax on personalty would naturally make less headway there than in the more developed industrial states.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Accordingly, the Kansas Commission still clings to the old idea "that the general property tax, to which we are confined by the constitution, has never been fairly tried in this state by a modern, adequate, well-adjusted law." Some of the discussions at Buffalo, however, especially those relating to the taxation of mortgages, evidently bore fruit; for the commission tells us that this "is another illustration of that curious shifting of the burden of taxation, which we are just beginning to understand." Perhaps when the commission has made a little further progress in understanding the problem, some of their recommendations will be different.

On the other hand, the report of the West Virginia Commission shows very unmistakably that they profited by the Buffalo Conference. The preliminary report contents itself with putting the recommendations for and against changes in the methods of taxation in a fair and lucid way. The commission propose to allow the fire of public criticism to be turned on them for several months before they render their final report. It is seen at a glance, however, that this commission is aware of the fact that the "earth do move." It is quite up to date. Such matters as the necessity for the separation of state from local revenues, for the abolition of the tax on intangible personalty, and for reform in the taxation of corporations, are discussed with clearness and with emphasis. The commission itself pays a tribute to the labors of the Buffalo Conference.

The five reports of the Committee on Taxation of the Chamber of Commerce of New York were prepared under the chairmanship of the Hon. G. H. Seward. They contain an interesting account of the system of taxation as it exists at the present time in New York, especially under the changes of the last two years. The committee is strongly in favor of the principle of local option in taxation and is not quite in harmony with the plan of Governor Odell, who is seeking to carry out the scheme of an entirely independent source of revenue for state purposes.

No one can read all these reports without realizing the fact that the situation is decidedly encouraging. Old prejudices cannot be destroyed in a moment, but the leaven is working. Even if the practical results are not yet very great, there are abundant evidences of a slow change in opinion which will before long result in a remoulding of our tax methods and in some further approximation to a system which will be at once convenient and equitable.

EDWIN R. A. SELIGMAN.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK NOTES.

THE third volume of John Beattie Crozier's *History of Intellectual Development* (Longmans, Green & Co., 1901) has been written and published before the second, as the author explains, partly because of the increasing difficulty consequent upon weakened eyesight which he has experienced in pursuing the minute research necessary for the second volume and partly because, if it should chance that he should be unable to continue the series as originally planned, he will nevertheless have given to his readers those practical conclusions bearing on present-day affairs — namely, politics, education, government and society — which follow from his general view of the evolution of civilization as a whole. Dr. Crozier's first volume traced intellectual development through Greek and Hindoo thought, Græco-Roman paganism, Judaism and Christianity, down to the closing of the schools of Athens by Justinian, A.D. 529. It was warmly welcomed by scholars and thoughtful readers generally, all of whom will turn with keen interest to Dr. Crozier's treatment of modern questions. They will find it a very different work from Mr. Lecky's partisan volumes on *Liberty and Democracy;* for Dr. Crozier's guiding thought is the proposition that the abstract ideals by which the ages and generations have been led, and which have fired the imaginations of men, "are to be regarded as means only, as instruments for drawing civilization onwards and upwards through ascending terraces from stage to stage, and not as universal ends to be forced undiluted on society without being balanced at every point by their compensatory opposites." The present age, like others, Dr. Crozier sees led and dominated by abstract ideals, and laboring under the illusion that they are ultimate ends to be achieved. To this illusion he attributes "the excess, the extremes, the instability, the confusion and the reactions of latter day politics"; and the corrective can be found only in a knowledge of the evolution of civilization in general. There have been few keener studies of American political life than the last two chapters of this volume.

Among the many reviews of human progress during the nineteenth century a group of papers prepared for the New York *Evening Post* was noteworthy. These papers included articles on law and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

government, history, economic and industrial developments, literature and art, education and science, applied science, transportation and war. Among the writers were Chief Justice Charles C. Nott of the Court of Claims, Sir John G. Bourinot, Clerk of the Canadian House of Commons, Professor Munroe Smith, Professor John Bassett Moore, Professor Angelo Heilprin, Horace White, Andrew Carnegie, Julia Ward Howe, Edmund Gosse, Russell Sturgis, Kenyon Cox, Professor C. S. Pierce, Simon Newcomb, Dr. J. S. Billings, Andrew Lang, Leslie Stephen, Mrs. Alice Freeman Palmer and President Arthur T. Hadley. All of the papers have been reprinted in a convenient and good-looking volume, *The Nineteenth Century* (G. P. Putnam's Sons, 1901. — ix, 494 pp.), which may be commended as a useful addition to the shelf of historical reference books.

Many books, good and bad, have been called into existence by recent developments in the far east, but among them few have been better worth reading than a modest volume of essays by Meredith Townsend, entitled *Asia and Europe: Studies presenting the Conclusions formed by the Author in a Long Life devoted to the Subject of the Relations between Asia and Europe* (G. P. Putnam's Sons, 1901). All of these studies, except the introduction, are reprints from the *Contemporary Review*, the *Old National Review* and the *Spectator*. All are directed to one end — namely, a description of those inherent differences between Europe and Asia which forbid one continent permanently to conquer the other. "The struggle between Europe and Asia," Mr. Townsend says, "is the binding thread of history; the trade between Europe and Asia is the foundation of commerce; the thought of Asia is the basis of all European religions: but the fusion of the continents has never occurred, and in the author's best judgment will never occur." Mr. Townsend has the unusual power of entering with sympathetic understanding into the thought and feeling of peoples whose habits and institutions are widely unlike those of European men, and it is this power which gives especial value to his suggestive papers.

M. Edmond Demolins has been well known in literary circles primarily for his criticism of the modern Frenchman and for his advocacy of Anglo-Saxon methods. He has now turned his attention to what he calls social geography, in an interesting book entitled *Comment la route crée le type social* (Paris, Firmin-Didot, n.d.). Of this the first volume, telling of the routes of antiquity, has appeared. Mr. Demolins's thesis is that history is very largely the product of racial forces, and that the diversity of races is due primarily to the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

routes followed by the different peoples. He takes up in turn the route of the steppes, producing the Tartar-Mongol type; the route of the savannas, producing the red Indian type; and the route of the forests, producing the Indian and the Negro types. He shows how it is that these races had practically no history worth writing about. He then discusses those great races of the Orient and of classical antiquity which have really made history. Although he naturally overstates his thesis and gives rather dubious explanations in a great many cases, he is able to marshal a large number of interesting facts in favor of his central thesis. The book will be welcomed by those who are preaching the modern doctrine of economic geography as the basis of social life.

Most of the text-books on commerce and commercial geography available in this country have been written by foreigners and published abroad. It is gratifying to note the publication of two good text-books on these subjects in this country, — Clow's *Introduction to the Study of Commerce* and Adams's *Commercial Geography*, — not merely as a matter of national pride, but for pedagogical reasons as well. Writers of text-books on commerce and commercial geography usually arrange their materials according to political boundaries, and not, as might better be, according to productive areas. Furthermore, as is natural enough, each writer puts his country, with its particular products and trade, in the foreground. Under this arrangement the United States has not fared very well in the text-books published abroad. The two books above noted reverse the old order of things and set the United States in the foreground. Mr. Clow and Mr. Adams both write primarily for the American student. These books can therefore be used to more advantage in this country than those previously published abroad. Mr. Clow's work describes the mechanism and process of exchange. It is a text-book for commercial high schools and is designed, as the author says, "to supplement either economics or industrial geography." The work is descriptive rather than theoretical, dealing with a series of special topics, such as trade and commerce, prices, payments and the like. The book contains valuable suggestions to teachers and practical exercises for students; the matter is presented in language easy to understand and is illustrated with good statistical diagrams. Mr. Adams's work is more distinctly geographical. The method of arrangement is that usually adopted. General geographical conditions are first set forth, after which the commerce of the several countries is considered in turn, the United States coming first,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with nearly a third of the book devoted to this country. An immense amount of useful information is crowded into the volume, without, however, making the work at all difficult for the average student. The employment of different kinds of type to mark the headings, the abundant use of maps and charts, the many footnotes and references, and the admirable illustrations go to make the book attractive and valuable for teacher and pupil alike.

The fourth and final volume of Leon Say's collected writings and speeches, under the title of *Les Finances de la France sous la Troisième République* (Paris, Calmann Levy, 1901.—687 pp.), of which the earlier volumes were noted in this QUARTERLY (XIV, 181, 565, and XVI, 186), has just appeared. It is devoted in about equal proportions to the subjects of protection and socialism, which the editor, M. André Liesse, groups together as equally objectionable to the principle of economic liberty. It is in these speeches especially that one sees the noted statesman primarily as a member of that group which the French call the Liberal school, but which Americans are apt to term the orthodox or the illiberal school. The volume will be found to contain an arsenal of facts and arguments for those economists who, by disposition or training, are disposed to extreme individualism and unconditional free trade. The four volumes, as now completed, form a noble monument to the untiring labors and the ceaseless activity of the most eloquent and scholarly of recent French statesmen.

Now that strikes and lockouts are gradually being replaced by annual contracts or agreements between organized labor and capital, we are beginning to realize more than ever before the need of principles to guide the bargainers or arbitrators in their determination of wage rates. Ought public opinion to support employers in their demand that wages shall be adjusted to prices, or the workmen in their demand for an assured income sufficient to provide the necessaries and comforts of life, leaving prices to adjust themselves to wages? This important question is the subject of an excellent dissertation by a young German economist. In his *Lohnpolitik und Lohntheorie* (Leipzig, Duncker and Humblot, 1900.—410 pp.), Dr. Otto von Zwiedineck-Südenhorst devotes himself especially to the principle of the minimum wage. Half of the book is given to a review of the theory of wages in economic literature and half to the policy of modern governments and labor organizations with reference to the establishment of a minimum wage. So far as government is concerned, this policy has, of course, to do only with workmen employed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by public authorities or by contractors for public work, as no modern state (with the exception of four of the Australasian colonies) has attempted to regulate wages in private industries. Such a public policy has been gaining strength very notably in the last few years. Since President Roosevelt's declaration in favor of a clause in all public contracts assuring "fair" conditions for the employees and Mayor Low's pronounced determination that the city during his administration shall be a model employer, the subject of the minimum wage has become as interesting to Americans as to Europeans. Dr. Zwiedineck's work is a valuable contribution to our knowledge of the subject.

Jellinek's essay on "The Declaration of the Rights of Man and of Citizens," which when first published was noticed in this QUARTERLY (XI, 582), has been put into English by Professor Max Farrand, with the author's revision (New York, Henry Holt, 1901). Though the general view which Jellinek presents had already been set forth in English, his exposition has points of excellence that do not appear elsewhere, and therefore Professor Farrand's work was worth doing. That the value of the essay is receiving recognition in Europe appears from the fact that a French translation also has recently been made by George Fardis (Paris, Fontemoing, 1902), with a preface by Professor Larnaude of the Paris Faculty of Law.

Mr. Frederick Harrison's visit to the United States in 1901 will long be remembered with pleasure by the many university men and others interested in historical studies who were then privileged to meet him and to hear his addresses. All such and many more will be glad to have these addresses in permanent form, as offered in a beautiful volume, entitled *Washington and Other American Addresses* (The Macmillan Company, 1901). The several titles are "George Washington and the Republican Ideal," "Abraham Lincoln," "The Millenary of King Alfred," "The Writings of King Alfred," "The Dutch Republic," "Recent Biographies of Cromwell," "Republicanism and Democracy," "Personal Reminiscences," "Municipal Government," "The Nineteenth Century." It is unnecessary to insist upon the charm of style and the sobriety of thought by which these addresses are distinguished. Another characteristic, however, is worthy of especial mention — that is, the accurate knowledge and keen understanding of American history and institutions. The papers on Washington and Lincoln are patriotic literature of the best type, as that on the writings of King Alfred is literary and historical criticism of the best type.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mr. Norman Hapgood's *George Washington* (Macmillan, 1901) is, like the author's study of Lincoln, a literary man's appreciation of a great public character. There are but few episodes in the career of Washington that lend themselves to the methods of "brilliant" essay writing. Mr. Hapgood seizes upon this fact as the basis for a sketch in a minor key. No one will get from the book any idea that Washington was "showy" or, indeed, that his general view of things was far removed from commonplace. At the same time, however, the solid and substantial elements in Washington's character and career are very cleverly exhibited. The book is, on the whole, an exceedingly artistic piece of literature.

The fourth and final volume of Professor Albert Bushnell Hart's *American History told by Contemporaries* covers the period 1845–1900. It is difficult to imagine how the execution of this admirably planned work could be improved upon in any of the numberless details that are involved. The present volume, though by no means designed for consecutive reading, may nevertheless be agreeably and profitably read in that way, so wisely are the selections adapted to the end of covering impartially all the prominent phases of our turbulent history during this period. Possibly Professor Hart's treatment of the last decade might excite cavil in some circles, but that is because he is really dealing not with history but with politics.

Reminiscences of a Mississippian in Peace and War, by F. A. Montgomery (Cincinnati, Robert Clark Co.), is devoted chiefly to a narration of the military operations of the First Mississippi Cavalry regiment during the Civil War. Incidentally, the book contains some descriptions of life in the South before and during the war and some portraitures of men who have figured prominently in the history of the state. There are also a few bits of local reconstruction history which throw some light on the manner in which the congressional policy was carried out in Mississippi.

La Guerra e la pace nel mondo antico, un saggio di ettore cicotti (Turino, Fratelli Bocca, 1901. — 233 pp.), is not without merit as a *vade mecum* to the sources. It is clear and somewhat florid, evidently intended for a popular audience. It is also useful as serving to call attention to the fact that wars are economic phenomena, rather than disturbances of the economic order, as taught by the Cobdenites. The economic cause is usually indicated, though often obscured by the details. But it is not a great book, nor does it offer much that is new. It does not seem well thought out, the author apparently halting between two purposes — one, to give a condensed history of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ancient wars; the other, to discuss their causes and results. At bottom, however, it is the work of an antiquarian rather than of an economist or a sociologist.

As a handbook which justifies its name by being handy, *Roman Public Life*, by A. H. J. Greenidge (London, Macmillan, 1901), is worthy of all commendation. It embodies a history of the Roman constitution from the earliest times to Diocletian, with the political and administrative organization fully and clearly set forth. On the moot points of the subject, especially in the earlier periods of the history, the author generally follows Mommsen — a practice which, while sustained by full and exact investigation by Mr. Greenidge himself, will doubtless give much pain to those students of the rising generation in whose eyes the octogenarian German has gone hopelessly astray.

F. P. Bremer has collected in his *Iurisprudentiae antehadrianae quae supersunt* (3 vols., Teubner, 1896–1901) not only such fragments of the writings of the older Roman jurists as have been transmitted to us, but also such information regarding them and their writings as can be gleaned from the entire range of Latin literature. He usually adds in doubtful matters, whether of biography or of text criticism, the opinions of the leading modern authorities. The compilation differs from Lenel's *Palingenesia*, in that other sources are drawn upon besides the Digest of Justinian and in that the arrangement is chronological, while Lenel's is alphabetical. It differs from Huschke's *Iurisprudentiae anteiustinianae quae supersunt* in that the fragments found in the Digest are included. It differs from both in that it includes no writings demonstrably posterior to the accession of Hadrian, and in the greater fulness of its biographical and critical material. The collection has thus a distinct reason for existence, and it will be very useful to all those who desire to make a thorough study of the development of the Roman law. It gives us all that is known of one hundred and fifteen jurists, beginning with Appius Claudius Cæcus, three centuries before Christ, and ending with Iavolenus Priscus, who flourished under Trajan and Hadrian. Cicero's *De legibus*, which Huschke includes, is omitted.

Dr. Isaac F. Russell's *Outline Study of Law* (New York, Baker Voorhis & Co., 1900), an earlier edition of which was reviewed in the POLITICAL SCIENCE QUARTERLY, vol. x, p. 548, has realized its author's principal aim, "to present the subject in a way calculated to attract the attention of the reader," and appears in a revised third edition.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"In form and arrangement there is a strong family resemblance between English and American enactments," says Sir Courtenay Ilbert in his *Legislative Methods and Forms* (Clarendon Press, Oxford, 1901. — xxxi, 372 pp.); "but," he drily adds, "in point of draftsmanship we have probably nothing to learn from the United States" (p. 222). That this remark is not ascribable to insular narrowness is shown by the whole tone and spirit of the book, and by the praise bestowed on French legislation. That the inferiority of American draftsmanship is not wholly owing to the absence of control by the executive branch over the preparation of legislative measures is indicated by the same comparison; for in France, as in the United States, laws are usually initiated in legislative committees. The fault lies, doubtless, where the author places it: American bills are drawn by "amateurs." To lawyers and legislators who are interested in the improvement of the methods and forms of American legislation, this book, which embodies the results of English experience and gives the expert conclusions of the author as parliamentary counsel to the Treasury, will be found to be a mine of information and suggestion. To the student of law and political science the book is of further value, because it gives a clear and detailed description of the present state of British and colonial legislation; and the general reader, as well as the student, will find the chapters on "Common Law and Statute Law," "Consolidation of Statutes," "Codification," and "Parliament as a Legislative machine" well worth examining.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED